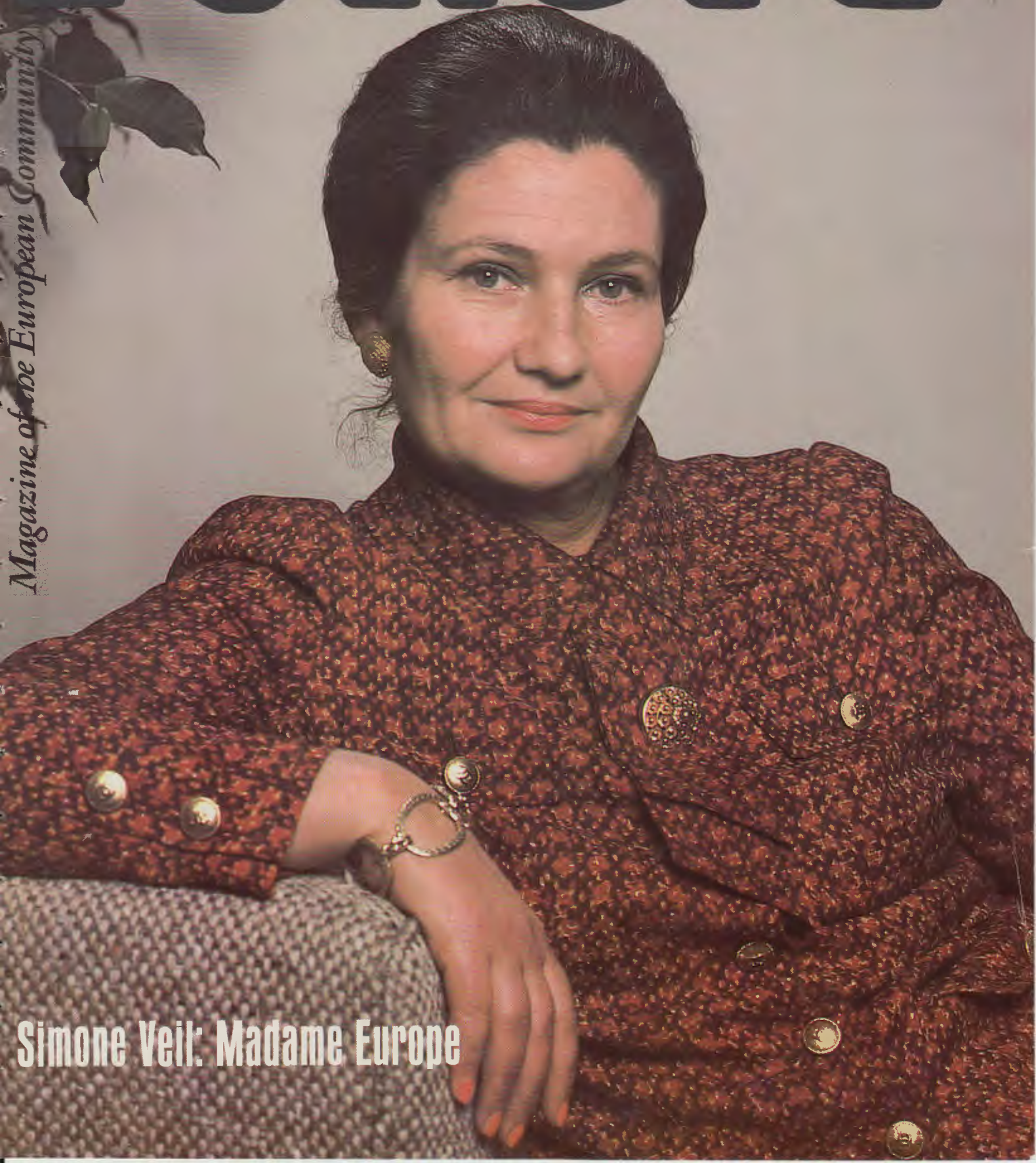


SEPTEMBER-OCTOBER 1979 NO. 215

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EUROPE

Magazine of the European Community



Simone Veil: Madame Europe

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EUROPE

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SEPTEMBER-OCTOBER 1979 NO. 215

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Cover (front): Simone Veil portrait. See page 4.

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Cover (back): Riders and hounds in Tipperary near Rock of Cashel. See page 30. © Elisabeth Weiland, Photo Researchers, Inc.

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Publisher's Letter

For political Europe, it would be forgivable to call 1979 "The Year of the Woman." First of all, Margaret Thatcher became Western Europe's first woman Prime Minister, and then Simone Veil, who led the French Giscardian ticket in the direct elections for the European Parliament, was duly elected President of that Parliament. Veil, who is acknowledged by the French press to be France's most popular politician, was described recently in *People* magazine as "Madame Europe."

It is ironic that the Old Continent, which has been perhaps less strident than America in embracing feminism, should have produced women politicians of the caliber of Thatcher and Veil in such quick succession. In the hope that American readers will get to know more about Europe's First Lady (President), we asked Edward Behr, former member of Jean Monnet's "brain trust" and currently European regional editor of *Newsweek*, to write a profile of the European Parliament President.

The long, hot summer has gone, and gasoline is again more readily available. But the energy problem has not gone away, and we are publishing the EC Commission's special energy panel report on an "energy-efficient society"—paralleling the report produced by the Harvard Business School in the States. It is also an appropriate moment to look at how Europeans have coped with their mass transit problems and how European approaches have affected the United States.

With the winter coming soon upon us, we asked Crispin Tickell, Chef de Cabinet of EC Commission President Roy Jenkins, to write about weather and climate—the subject of a book he authored while a Fellow at the Harvard Center for International Affairs.

Once again it is Ireland's turn at the political helm of the European Community, a role brilliantly performed during Ireland's last Presidency in 1975. Dennis Kennedy, European editor of *The Irish Times*, has contributed this edition's member state report.

Andrew A. Mulligan

Andrew A. Mulligan



EUROPE'S FIRST LADY

Simone Veil Is New Parliament's First President

EDWARD BEHR, *European editor of Newsweek*

"IN THE GIANT SOTHEBY'S WHERE POLITICAL IMAGES ARE traded," wrote the radical-chic *Paris Métro* recently, "Simone Veil is a seller's dream. She mixes the icy elegance of the Chanel-tailored *haute bourgeoisie* with the simple wisdom of all women who take the world of men to be different from theirs."

Paris Match called her "Giscard's number one asset." Simone Veil, it wrote, "is both Michèle Morgan and Golda Meir"—meaning, of course, that she has the looks of Michèle Morgan and the steely resolution of the late Israeli leader. As with Golda Meir, it has been said of Simone Veil that she was "the only man in the cabinet."

Dr. Escoffier-Lambotte, herself a distinguished expert on family problems and the medical affairs correspon-

dent of *Le Monde*, believes that Simone Veil's chief characteristic is what she calls "authenticity." It's a quality the French seem to appreciate since, from 1974 until she resigned from the cabinet as health minister five years later to become president of the European Parliament, she remained the most popular figure in the French Government, with about 60 per cent of all those polled reckoning she was doing a good job. (Although the polls varied, they never slipped below 56 per cent.) Which means, as *Le Monde* pointed out, that a sizable number of those who approved of her must have been opposition Socialists and Communists.

What is it about Simone Veil that has made a uniquely popular figure on the French political scene? It's not

looks alone: Former Women's Affairs Minister Françoise Giroud and current Minister for Universities Alice Saunier Seïte are far more glamorous. Simone Veil, though she dresses with exquisite and practical taste, is somewhat heavysset, and forcibly reminds one of the character actress who played the part of Marlon Brando's wife in Coppola's "The Godfather." Both women have the same sturdiness, the same reassuring aura of strength, good humor, and unflappability. Since most Latins secretly worship this kind of woman, even while they pursue the younger, sylph-like kind, this may explain in part the respect and affection she commands, but there is far, far more to it than that.

In the first place, there's the odd fact that in France women politicians are more popular than their male counterparts, due to the higher (52 per cent) proportion of women voters—and the relatively small number of women in politics. In the popularity polls Françoise Giroud for years came immediately after Simone Veil.

Then, Simone Veil is Jewish and has never attempted to conceal the fact. For a French politician, this is not necessarily an asset: Apart from Pierre Mendès-France and Léon Blum, nearly all those French politicians of Jewish origin who reached topmost ranks have been Catholic converts.

But Simone Veil, née Jacob, was deported to Auschwitz in 1944 along with her architect father, a brother and sister. She still has her deportee's number (78651) tattooed on the inside of her forearm. She alone of the Jacob family survived: Her father and brother died in the camp and her sister shortly after the end of the war. Simone Veil not only survived but resumed her studies at war's end as if nothing had occurred to interrupt them.

Not that she had forgotten, or put the ordeal out of her mind. When "Holocaust" was shown on French television earlier this year, it attracted huge audiences, and the debate after the final episode, in which Simone Veil took part, was seen by a record 20 million viewers. "Holocaust" had been a shattering experience for the French, who belatedly discovered—or rediscovered—that a number of their own countrymen had been responsible for rounding up over 120,000 French Jews in 1942, only a fraction of whom survived deportation. The controversy over French responsibilities almost overshadowed the series itself.

Simone Veil's behavior during the debate was characteristic. What she had to say was unsentimental, down-to-earth, and ran contrary to the trendy view that "Holocaust" was a masterpiece. The characters portrayed in the camps, as depicted in "Holocaust," she said, were not real: They were too nice to each other, too civilized, too altruistic. In real life, she said coldly, things had not been like that. Even the nicest people had become animals under concentration camp conditions, stooping

to anything in order to survive. That, she added, was perhaps the most appalling aspect of the whole concentration camp experience—that it degraded not only the jailers but the victims. There was a short, stunned silence in the studio after she had said this, with the realization of all concerned that she had included herself, implicitly, among the survivors. Her speaking out like this was a good example of "authenticity." But she showed another side of her character in the same debate when a young Frenchman asked her, later on, how she and her husband could continue to associate with French personalities who had been overtly pro-German and anti-Semitic during the two German occupations in France. She rounded on him with considerable ferocity for daring to question the suitability of her social contacts and thus revealed in public what her ministry subordinates have known full well for the last five years—that she has a terrible temper.

SIMONE VEIL EPITOMIZES THAT TINY ELITE which rules France, that small band of intellectually and academically superior meritocrats from the *grandes écoles* who alone can aspire to the very top jobs in government, industry, and even, with a few exceptions, politics and the press. A graduate of the *Institut d'études politiques de Paris* as well as a lawyer, she became a magistrate in 1956 and later joined the *cabinet* of the then Justice Minister René Pleven, the grand old man of the French Fourth Republic, a humanist and liberal Catholic who helped France to become a first-rank European power after the war.

She married a fellow student who was also a Jew, a *grandes écoles* graduate—Antoine Veil, who has since become chief executive of UTA, France's second major airline, which, unlike Air France, receives no direct government subsidies. The Veils quickly became members of the powerful, discreet "establishment," which makes its Washington counterpart look very insignificant indeed. As she herself somewhat ingenuously put it: "At my first cabinet meeting as health minister, I knew many more people around the table than my other newly promoted colleagues from Parliament." She had entertained Jacques Chirac and the whole leadership of the government coalition parties at the Veil apartment on the Place Vauban. She knew ministers by their first names and anyone of note in the business and press world as well.

But whereas the French governing elite's main failing is its inbred arrogance, lack of contact with the masses, and its habit of handing down decisions without consulting consumer groups or locally elected councils, Simone Veil—by the nature of her work in the French justice ministry from 1959 onwards—was a striking exception to this rule. By the time she became minister of health, she was singularly aware that the real France, as Charles de Gaulle once said in another context, "was not the one of Parisian *dîners en ville*." For by 1974 she had developed an



Parliamentarians applaud President Veil after her election.

interest in criminology, had helped work out reforms for committal procedures of the mentally ill, had handled cases of juvenile delinquency, adoption problems, the rights and problems of the mentally handicapped, and other special case histories of disadvantaged families. It's fair to say that for a 10-year period she was directly confronted with the problems of that part of French society which failed to ride the great Sixties' boom.

It must have been a somewhat schizophrenic existence: By day she was confronted with painful problems and family tragedies of the underprivileged. In the evenings she and her husband entertained leading politicians, officials and industrialists for whom such matters were, at best, mere statistics. This largely explains the continued popularity she commands from working-class French families today. She got to know their problems the hard way—as a junior official handling individual *dossiers*—and this has enabled her to talk to ordinary French people with considerable credibility, and to know what their problems really are. It explains their trust in her.

It also explains why, as health minister, she successfully railroaded the abortion and contraception reform bills through a hostile Parliament, encouraged in its hostility by a powerful coalition of vested interests. "Some of my hate mail then was so virulent that I didn't dare show

it to my staff," she says. Getting the bills passed was only the beginning of the struggle for reform: For months, even years, French doctors in their thousands refused to implement them.

Herself the mother of three grown children, Simone Veil changed the abortion and contraception laws not so much out of a permissive, "intellectual" sympathy for "women libbers" as from the knowledge that clandestine abortions and unwanted children were untold sources of suffering in France. Until the Veil reforms, the wealthy could get abortions in Switzerland, Britain, and Japan. The poor could not. And to confound her critics who charged she was compounding France's already low birthrate problem, she changed the rules there, too. Since March 1978, all childbirth-related costs in France, including hospital care for up to 31 days, have been met by the state, and all working mothers enjoy mandatory, paid 16-week maternity leave.

Her attitude toward the feminists has always been somewhat ambiguous: She deplors the stridency of the women's liberation movement, but doesn't mince her words about male supremacy. In July President Giscard d'Estaing, at the last cabinet meeting she attended, paid her considerable tribute. "We shall miss your smile," he said. She quickly responded in a *France-Soir* interview. "I

am," she said, "an alibi-woman. There are a few of us in France holding down responsible jobs. Men put us there to give themselves a good conscience. But we are not representative of women as a whole, who certainly don't enjoy the role that I would like to see them play in society."

WHAT, IF ANY, ARE THE FAILINGS of this formidable personality? Some labor unionists charge that she cannot bear contradiction, and claim that after a promising start as health minister she displayed an increasingly single-minded concern to reduce the admittedly huge French social security deficit. Health specialists deplore that she didn't speak up as forcefully against *alcoolisme* (which remains a huge health problem in France) as she did against tobacco (she smokes and drinks moderately). And even her most devoted supporters admit that, while her projected image is forceful, humane, and sincere, she lacks the prodigious debating skill for which some French political leaders are famous.

Finally, there are the circumstances of her election as president of the European Parliament, which were marked by behind-the-scenes horse-trading that left an aura of resentment all round. In fairness to Simone Veil, it should be said that she herself neither intrigued nor lobbied to obtain the presidency, though others did on her behalf. The real manipulator, of course, was Giscard d'Estaing himself, who was determined to make Simone Veil president, and had ordered her to stand down as minister in the first place to head the *Union pour la Démocratie Française* party ticket in the elections.

So far, it's only fair to say that another woman European parliamentarian, the Italian radical Emma Bonino, using every loophole in parliamentary procedure to hog the limelight and campaign for minority groups, has partially eclipsed new President Veil in Strasbourg. But the betting is that Simone Veil, who learns fast, will prove an effective president.

On her becoming president, little was known about her own European views, other than that they mirrored those of the French President. Whether they will remain so is another question. On past performance, it's likely that she may develop strong views of her own. It's significant that the Gaullists were among those most strongly opposed to her election as president, on the grounds that she was far too "pro-European" for their liking. Her own performance is linked to that of the evolution of the new Parliament as a whole. Will it become a significant instrument helping to shape policy, or will it end up simply as a larger, more expensive version of the previous powerless European Assembly? Only time will tell.

And time is not necessarily on Simone Veil's side. She must make her mark in Strasbourg within the next 12 months. After that, there's no certainty that she will remain in her job. For all the multiple denials, French analysts are convinced that Giscard has put Simone Veil in the presidential chair to give her international exposure and make her familiar with the handling of a large and unruly parliamentary assembly. The inference is, that come 1981, when Giscard stands for reelection as French President, he will require by his side a popular prime minister. Bets are that France will have its first woman premier in the not too distant future.

The First Session

STEPHEN MILLIGAN, *Brussels correspondent for The Economist*

It must have been a dream. There was Italian Communist Enrico Berlinguer in an armchair. Ten yards away stood former Belgian Prime Minister Leo Tindemans giving a radio interview. And suddenly from nowhere came Jacques Chirac, the French Gaullist, ambling along with the aid of a stick. Never before in history have so many great politicians from so many countries been gathered.

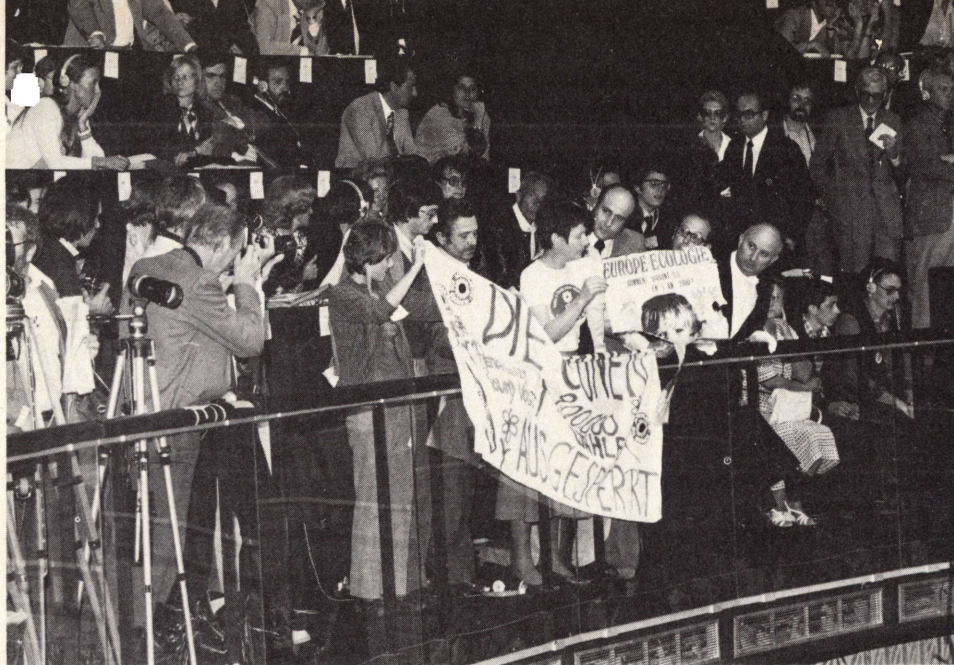
The cynics say that it may be the first and last time. They predict that the stars will seldom be seen again at Strasbourg—after the first session (in July) of the directly elected European Parliament. Certainly the procedural wrangling of the second day, which forced Irish Foreign Minister Michael O'Kennedy and EC Commission President Roy Jenkins to hang around for half a day before they

could deliver their speeches, may deter the stars in the future. But Willy Brandt, for one, says he will come to the Parliament whenever anything important happens.

The French may have pulled off a coup in getting Simone Veil elected as president, but their quota of stars was sadly lacking. Communist leader George Marchais failed to show up—because he was sunning himself in Yugoslavia and did not think it worth the bother to interrupt his holiday. Socialist leader François Mitterrand already resigned his seat in protest at the decision of French authorities to give one seat won by his list to Veil's. And two members of Veil's list—Jean François Deniau and Pierre Méhaignerie—have resigned because the French President asked them to stay on as ministers in his Gov-

ernment. No one is allowed to be a minister and a European parliamentarian at the same time.

One parliamentarian who failed to understand the complex electoral rules was also missing: Shelagh Roberts, the Conservative winner in London South West. It turned out that she was a member of Britain's Occupational Pensions' Board at the time of the election, although she resigned soon afterwards. Under British law no one can be a parliamentarian and draw a salary for a public job—save as a minister. Poor Roberts was therefore barred from taking her Euroseat. And she will have to fight a by-election in September to get her seat back. This will be the first ever Euroby-election and, since her seat is marginal, is likely to generate a lot of excitement.



Demonstrators attend the first session of the new European Parliament in Strasbourg.

While parliamentarians were discussing lofty matters, like the future of Europe, inside the Strasbourg chamber, outside they were more worried about how much cash they were going to get for the job. All parliamentarians are being paid the same as their national members back home: This is fine for the well-paid countries like Germany but not so good for the poorer countries. However, British members of parliament are now earning 50 per cent more than they expected, thanks to a handsome pay raise awarded to both British European and Westminster members of parliament by the new Thatcher Government.

All European parliamentarians, however, will get the same expenses—and they look pretty good. Around 20,000 pounds will be available for each parliamentarian for his secretary, research staff, office. On top of that he will get 60 pounds a day expense allowance and some 25 pence for each kilometre traveled.

Strasbourg did its best to welcome the new members. The city provided special charter planes to fly them direct to Strasbourg (with an excellent meal on board). The mayor laid on a grand reception and a special concert. But many parliamentarians made it clear that they hope the Parliament will move away from Strasbourg as soon as possible. The most militant opponents of Strasbourg are the British Conservatives. They would like the Parliament to meet all the time in Brussels—or at the worst—in Brussels and Luxembourg. At present, the full sessions are due to be held in Strasbourg and Luxembourg and the committee meetings in Brussels.

STRASBOURG HAS GOOD HISTORIC REASONS for being the site of the Parliament. Standing as it does on the frontier of France and Germany, it symbolizes the postwar friendship of the two countries which is at the heart of the

European Community. But its transport links are poor, and there is nothing like enough hotel space for the 410 parliamentarians, plus aides, diplomats, journalists. One journalist was booked into a hotel on the outskirts of Strasbourg and arrived to find that the hotel had been closed for two years. Strasbourg has 3,000 hotel rooms and is busy building another 500, but this is still not enough.

If Strasbourg has its problems, Luxembourg's seem even worse. As yet, Luxembourg has no chamber big enough to hold all 410 parliamentarians but is working day and night to build one—shaped like a ski jump. The first session will probably not be held in Luxembourg before 1980; but when the parliamentarians get there, they will find that the city has 2,000 hotel beds, and only one hotel is anywhere near the Parliament building. And Luxembourg has only planned an extra 210 hotel rooms.

Transport is also a problem. The best way of commuting between the three cities is by train. But the Swiss company that runs the twice-a-day Trans-Europe-Expresses has already axed one service and may ax the other. Happily, the French Government has promised to subsidize a service if necessary. But even on the best train of the day, it still takes over four and one-half hours to get from Brussels to Strasbourg.

Around 700 journalists turned up for the new Parliament's first session—including the regular EC press corps from Brussels, plus political reporters from national capitals, and dozens of radio and television reporters. Such a horde is unlikely to show up at future sessions, and most newspapers have not yet decided how much time and space to give the Parliament until they see how important it is really going to be. The only newspaper in Europe that used to give a blow-by-blow report of the old Parliament's proceedings was

The Times of London, but unfortunately it was still not printing at the time of the first session.

The Parliament at present provides interpretation to and from all the six Community languages: French, German, English, Dutch, Italian, and Danish. This means the debates have a slightly odd quality. When someone makes a joke, different parliamentarians laugh at different times, as they hear the translation. But most members were pretty bewildered when the Irish Prime Minister—and current president of the EC Council of Ministers—Jack Lynch began his speech to the Parliament in Irish.

In the corridors most people were speaking in either French or English. Any parliamentarian who cannot speak either is likely to find life difficult. As from January 1981, the Greeks will be in the Community and the Parliament—adding another official language. But no one knows what languages they will speak in the corridors.

The political groups in the new Parliament are roughly the same as those in the old: Communists, Socialists, Christian Democrats, Conservatives, Gaullists and allies, Liberals. However, things are more confused this time. The Christian Democrats fought the elections as the "European People's Party," and their group in the Parliament is now called "European People's Party (Christian Democrats)." The Conservatives—although they consist of 60 British Conservatives, one Ulster Unionist, and three Danish Conservatives—have decided that the name "Conservative" is not a good one for attracting other allies. In several EC countries—like Italy and Holland—the word means "extreme right winger." So the group has decided to call itself in future the "European Democrat Group"—in the hope of attracting more allies (including perhaps the members of Prime Minister Konstantinos Karamanlis's New Democracy Party after Greece joins the Community). This name, however, will easily be confused with the "European Progressive Democrats"—the title of the alliance of French Gaullists and Irish Fianna Fail parliamentarians. And even the Liberals call themselves "Liberal and Democratic Group." In a parliament where all members were directly elected (except those from West Berlin), the title "democratic" ought surely to be made redundant.

The vast majority of parliamentarians come from and in many cases are still in white-collar jobs. Very few are manual workers. Oddly, the greatest number of farming parliamentarians come from Britain—the country with the fewest farmers per capita in the Community. The average age of new members is 51. The youngest delegation comes from Britain (which is also the most unknown and inexperienced.)

Congratulations from the U.S.

Message from the President of the United States to the Honorable Simone Veil, President of the European Parliament.

Dear Madame President,

My warm congratulations on your election to the high office of President of the European Parliament.

Americans have welcomed the first direct election to the Parliament as an historic occasion symbolizing the deep attachment of the Community to the advancement of common European democratic institutions.

I wish you and your colleagues every success in facing the challenges before you.

With best personal regards.

Sincerely,
Jimmy Carter

Concurrent Resolution by the US Senate and House of Representatives

That the Congress welcomes the first directly elected Parliament of the European Community into the family of freely elected

representative bodies.

The Congress recognizes the election of the Parliament to be an event of great historical significance to the evolution of European unification and integration and to the growth of representative democracy.

The Congress congratulates the newly elected Parliamentarians and expresses the conviction that as they assume their responsibilities, they will pursue policies aimed at strengthening the Community and ties between it and the United States.

The Congress pledges its support for continued close relations with Parliamentarians from the European Community and to this end affirms its readiness to continue the semi-annual discussions with the European Parliament on issues of common concern and to explore mutually beneficial measures for their improvement.

The Congress requests that the President forward a copy of this resolution to the President of the European Parliament, the President of the Community's Council of Foreign Ministers, and the President of the European Commission.

Message delivered to the newly elected European Parliament on behalf of US Speaker of the House of Representatives Thomas P. O'Neill, Jr.

My heartiest congratulations to the newly elected Parliamentarians on this historic session of the first directly elected European Parliament.

The direct election of the European Parliament is a dramatic progression in the growth of representative democracy and an important step in the direction of greater European integration.

In past years, the House of Representatives strongly supported semi-annual conferences between appointed members of the European Parliament and the United States Congress. Now, in light of your new status as a fully elected representative body, the House of Representatives welcomes closer ties and additional parliamentary exchanges on subjects of mutual interest, including trade policies and economic cooperation.

I extend my sincere personal best wishes on this special and memorable occasion.

European cartoon reactions

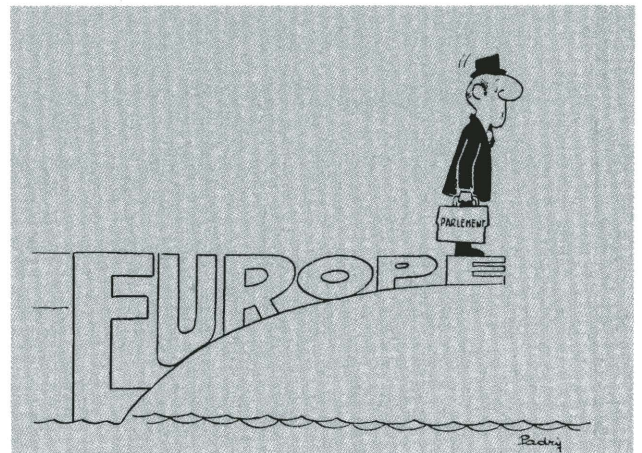


"It seems to me you were just born, and look how big and strong you are already!" © Padry, Le Hérisson, Paris

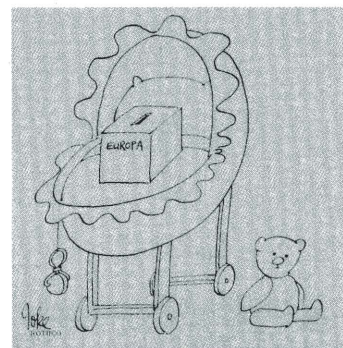


"Since you voted in the Euro-election, we can only get French and German programs!"

© Jon, Daily Mail, London



"I hope I remember how to swim!" © Padry, Le Hérisson, Paris



© Joke, De Nieuwe Gazet, Antwerp

Europe's Own "Philadelphia Convention"

FERDINAND KINSKY, *guest scholar at the Woodrow Wilson International Center for Scholars in Washington and director of the Centre international de formation européenne in Paris*

To understand the European Community, imagine the 1787 convention at Philadelphia having gone the wrong way. What would America be today had the 13 original states never overcome their confederal stage and only achieved a customs union, a common commercial and agricultural policy, and minimal progress in harmonizing the rest of public affairs? Imagine the confederation

paradoxical promise of both marriage and the protection of virginity made by English, Danish, and French politicians during the campaign, when they proposed both joining Europe and not limiting national independence. This contradiction discouraged voters as much as the unanimously positive attitude in Germany, Italy, and the Benelux states, where political parties had difficulties

France, Britain, and Germany, the historical goal that had inspired Immanuel Kant and Victor Hugo as well as politicians in the late 1940's, does not appear to be relevant now, partly due to the undeniable economic integration within the European Community, and to an even greater extent as a result of the international situation since World War II. European countries have become second rate.



Signing of the US Constitution in Philadelphia, 1787. Painting by Rossiter, © The Bettmann Archive, Inc.

without a capital; without a president; with almost no federal administration; and with the American foreign, defense, and economic policy being defined by regular meetings of the 50 state governors or their delegates, trying desperately to take unanimous decisions on proposals submitted by the US Interstate Commerce Commission. The European Community today is close to this nightmare.

The question is: Will the first directly elected European Parliament change all this and turn out to be Europe's Philadelphia Convention, paving the way for a federal constitution within the next five years?

The more pessimistic view seems to be confirmed by the weak voter turnout—weak at least by European standards. Of course there were good reasons: the short interval since the recent national election in Britain and the

finding any disagreements on Europe.

The campaign almost exclusively focused on domestic problems, since voters could not be interested in institutions or constitutional models. Even warnings of a dangerous socialist and "popular-front" Europe (by Franz Joseph Strauss) or of a reactionary capitalist Common Market (by Enrico Berlinguer) were only repetitions of campaign slogans used in the last national elections.

Anyhow—Italy excepted, where Europe is considered as a safety net—the percentage of nonvoters was impressive enough to make politicians believe that Europe simply does not have appeal to the electorate.

There is no doubt a crisis of motivation. The reasons for a unified Europe in the post-World War II period seem to be ineffective today for mobilizing public opinion. Peace among

Rightly or wrongly, the fear of Soviet imperialism does not preoccupy West Europeans as much as it did during the 1950's, when it was the strongest motivation for European unification. The major economic postwar goal of reconstructing destroyed industry and the reestablishment of prosperity and welfare through a transnational market in Europe has been largely achieved. So why go further?

Most economic decisions made by the Community institutions are too technical to be understood by ordinary people. Even worse, the decision-making process seems to the average citizen like a football tournament where the national team fights against cheating foreigners who seem to be striving for all the benefits.

THE MAJOR OBSTACLE to substantial progress

in European integration is a very simple one: Those who have power do not want to give it away. National leaders may be convinced Europeans, but as soon as they become cabinet ministers or heads of government, they usually refuse any transfer of power to European institutions. National administrations and governments will be even more reluctant to increase the power of the European Parliament since they often tend to override their own national assemblies. There lies the dead end.

European parliamentarians will have to explain much better than their national party leaders did in the recent campaign, why a united Europe is still necessary, perhaps even more urgent now than ever. There are some indications that the new European parliamentarians will constantly draw attention to the disastrous consequences that would result from a failure of European integration:

- Unintended but inevitable German leadership. As long as unanimity of all member states continues to be required for most decisions, there will not only be many failures due to the national veto but also the risk that the Community might slowly slide into an economic and monetary *pax Germanica*. Unanimous decisions often follow the pressure of the strongest member. International organizations and confederations usually suffer from hegemony. The German 1815 confederation ended with Prussian domination; and in America, Virginia took the lead before 1787, when the federal Constitution then assured more equal rights for each state member.

But all this could lead to new motivations for Europe's unsolved problems of transnational concern; disagreement with US policy or German hegemony might also be trump cards for the European Parliament.

The low turnout and the disappointing

increasing parliamentary criticism of national governments as well as courageous proposals for "federal" solutions to current problems. The European Parliament may use its present budgetary powers for this purpose. But will it overcome the nation-states' natural resistance to all transfer of power to European institutions?

Much will depend on the American attitude. American presidents since the end of the war have repeatedly stressed their positive attitudes toward European integration. The Carter Administration in particular is showing noticeable enthusiasm for Europe, compared with attitudes of the Nixon-Ford-Kissinger era. According to this principle, would the United States take an historical initiative inviting Western Europe to take over more responsibility within the Atlantic alliance by structuring a common European defense system? Ironically a carefully negoti-



Nearly 200 years later Europe's first elected assembly convened July 17, 1979.

- Growing frustration over unsolved problems of European, and not merely national concern, such as energy supply, where Europe is more vulnerable than the United States; pollution, which does not respect state borders; inflation and unemployment, which spread from one country to another.

- Increasing dissatisfaction with what is felt as US hegemony. *Pax Americana* is still preferable to *pax Sovietica* but remains so for Western Europe only so long as the Old Continent is not sufficiently united to play the role of a more equal "partner" following John F. Kennedy's expressed design of a more balanced Atlantic partnership. Insufficient progress in European integration and the resulting weakness are certainly strong motivations for anti-American feeling in Europe.

election campaign will be forgotten soon. The new European parliamentarians will have to become extraordinarily active if they do not want to be forgotten until the next election five years from now. Theoretically, the federalists have a large majority in the European Assembly, for they include almost all the Belgian, Dutch, German, Italian, and Luxembourg members, as well as about one-third of the Irish and some of the French members. Dogmatic antifederalists like Gaullists and left-wing British Socialists were clearly defeated.

Willy Brandt may have rightly spoken of a "permanent constitutional assembly." This does not mean that the European Parliament will immediately draft a constitution for the United States of Europe. But there will be

ated and limited US disengagement may not only push Europeans to greater unity, it would also make the entire Western defense system more credible and offer new diplomatic moves toward Eastern Europe. Isn't there another opportunity today for Kennedy's "grand design" of a balanced partnership between "the new union emerging in Europe and the old American union founded 175 years ago," as he put it in his 1962 Independence Day address in Philadelphia.

The final answer has to be given by Europeans themselves. Political leaders there should read the discussion at the Philadelphia Convention and some of the articles in the *Federalist Papers*. It is amazing how many arguments used then are relevant for today's discussion in Europe.

Other Women in Europe

Commission office dedicated to feminist principles

MICHÈLE KESPI, *freelance French writer based in Paris*

"We had nothing—nothing but a series of asexual statistics." In her modern, Robert-Schuman Circle office in Brussels, Jacqueline Nonon, officer in charge of women's affairs at the EC Commission, recalls a heroic era—a time when the very concept of a "Women's Bureau of Labor" would have seemed incongruous.

Today, such a bureau does in fact exist. It has been operating for over two years now. And any European working woman who has fallen victim to sex discrimination on the job may apply for assistance. Actually, the Community issued its first equal pay guidelines on February 10, 1975—to henceforth eliminate "any and all forms of sex discrimination as it pertains to workers' wages."

This was the beginning of an important process, as a Community guideline is neither a pious vow nor a vague recommendation. It's a restrictive legal instrument establishing one or more targets for its members, leaving the individual states free to choose the course of action they wish to follow in enforcing these principles within their borders. There is also a deadline within which the countries must furnish the Commission with a report on the measures adopted with respect to the Community guideline. In the event a country fails to meet its requirements, the Commission may institute violation proceedings against the state in question. "And, believe me," insists Ellen Wolf, the bureau's legal expert whose role is to track down violators, "no country wants to find itself up before the European Court of Justice. . . ."

The second guideline, adopted on February 9, 1976, became effective last year. Somewhat broader in scope, it concerns equal treatment for women workers and covers aspects such as job opportunities, promotion, professional training, working conditions, wages and dismissal—prohibiting "any and all forms of sex discrimination" in these areas. The nine EC members were given until August 12, 1978, in which to submit actual texts of their laws proving that discrimination in their countries was no longer possible.

Certain states were slow in responding. The



Jacqueline Nonon, head of women's affairs in the Community.

Netherlands and Luxembourg failed to respond altogether—receiving official warnings. Other countries, such as France, merely carefully recopied the texts of existing laws, without making any attempt whatsoever to reform their legislation. On the other hand, Belgium passed a new law that is generally expected to help the country make important progress in this area. In any event, the women's bureau has no intentions of "taking the word of the member states." Today, its major task is to scrutinize legislation in an effort to confirm whether it conforms with Community guidelines. And "we must admit," sighs Jacqueline Nonon, that "we are up against enormous odds."

Once these laws have been examined in depth, the Commission's next step will be to draw up a list of inadequate or unsatisfactory

provisions. It will then proceed to take the necessary measures to ensure that all unsatisfactory legislation is duly reformed. But even now, a country may be cited for violating Community regulations. A woman may, therefore, bring action before a labor court. "If the court finds no means with which to protect a woman's rights," explains Jacqueline Nonon, "it's because the national Government has failed to adopt the necessary measures and is, therefore, in violation. The plaintiff can then apply to this bureau, requesting that the case be brought before the European Court of Justice—the court of last resort."

At the beginning very few knew that the women's bureau even existed. Today, it is staffed by a six-worker team of five women and one man.



© Jan Lukas, Photo Researchers, Inc.

AT ITS HEAD is Jacqueline Nonon, 50 years old, seconded by Florence Morgan, 28. Marilou Sinnove, 34, fills the position of secretary. And that's about it in terms of full-time employees. The others are all temporaries, with their jobs threatened by budgetary uncertainties: Ellen Wolf, 55, is the bureau's legal adviser; Karin Van Abshoven, 25, its documentation officer, and Andrew Birchall, in charge of its budget. A rather skimpy staff indeed to ensure that millions of European working women do not fall victim to discriminatory practices on the job. And its budget is as meager as its staff, but its scant resources are more than offset, smiles Nonon, "by the true solidarity of the Commission women. We're beginning to be treated like a mafia! And we consider it a compliment!" In any event, it is a sign of progress. No one could have imagined speaking of an in-house female mafia when Nonon first began working for the Community some 20 years ago.

That was the era of asexual statistics. The Treaty of Rome had just been signed. It was 1957. It included no provisions per se for its women. But, in turning its pages, you will find an article on equal pay, inserted at the insistence of the French Government. Are the French to be congratulated for spearheading the movement? Let's see . . . Wages for women workers were higher in France than in Germany at the time, and France feared that its prices were not as competitive. So you see, it wasn't a feminist movement at all—merely a question of money.

Likewise, when Europe began to turn its attention to its women, it had nothing to do with their welfare. Back in the prosperous decade of the Sixties, immigrant workers alone were unable to provide needed reserve labor. It was then that Europe began to turn to its women. It was decided to study their pro-

fessional qualifications. Since Nonon was working in the area of professional training at the time, she was approached . . . "because, as you know, women's problems are always given to a woman to handle," she recalls. Probably out of fear of annoying the men.

This was only the beginning of a long quest that eventually led to the establishment of the women's bureau. In 1967 Jacqueline transferred to the Commission's employment division at a time when a certain amount of interest was being aroused by the women joining the labor force. And, once again she was approached: "Women—that's your field." Using the means at her disposal, Nonon launched a study of "Female Employment Within the EC," later synthesized by Evelyne Sullerot. Looking back on it, she recalls, "We were really doing the spadework." To everyone's (and particularly the men's) surprise, the report turned out to be a raving success, capturing first place on the hit parade of EC Commission literature!

So, everything's working out for the best in the best of European worlds? Not true! Many of the countries involved are happily patting themselves on the back, provoking a round of smiles in Brussels. Thus, for example, French Secretary of Labor Nicole Pasquier, in a recent statement to *F Magazine*, says: "Our country is keeping in line with the European guidelines." But Jacqueline Nonon puts that perspective: "France is progressing on schedule, but there is no concerted approach to dealing with women's problem. There is really no legislation that truly tackles the issue. While it may be true that France is part of the first string, it certainly cannot boast of its setting the pace."

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"But of course there's room for women in the church—bake sales, bazaars, bridge . . ."

© Yardley Jones, Anglican Church Journal, Canada



"We'll agree to give you equal prize money, if you'll agree to compete in the men's singles."

© Audley, Sunday Telegraph, London

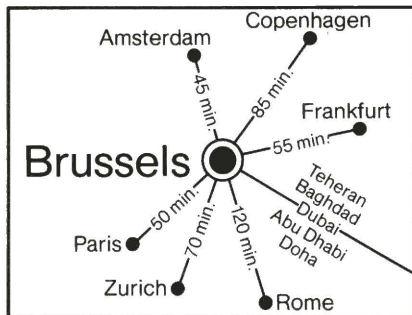


"Why are you complaining? You're always for equal job opportunities." © Pearson, Knickerbocker

News, Albany, NY

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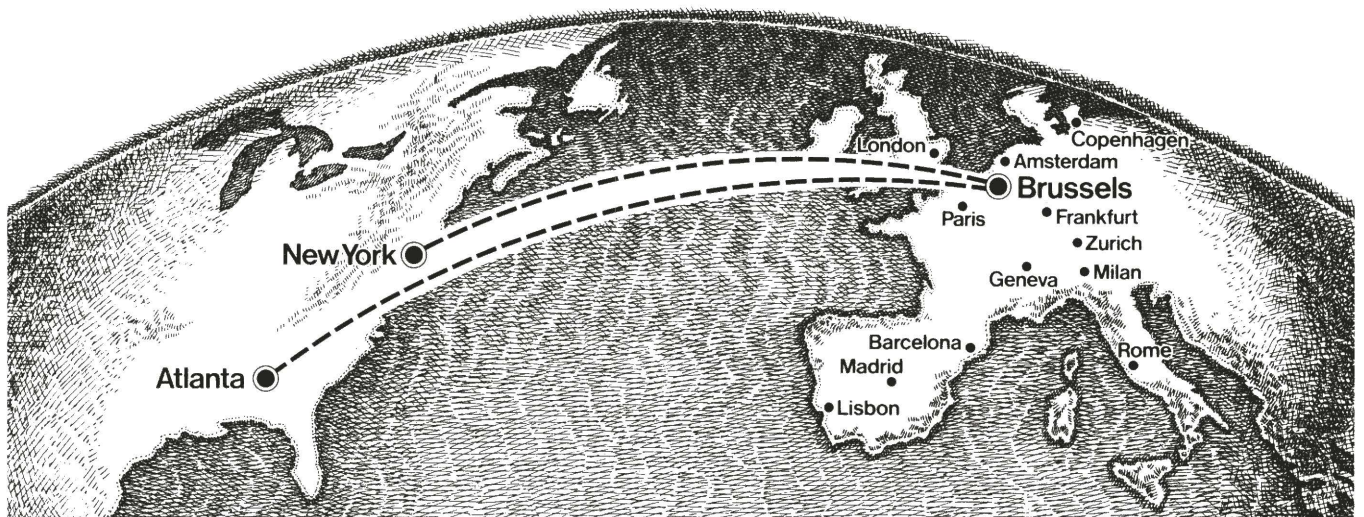
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ENERGY-EFFICIENT GROWTH

EC Commission study calls for conservation

Staff written

ALMOST SIMULTANEOUS WITH THE PUBLICATION OF THE Harvard Business School's *Energy Future*, the EC Commission released its special study entitled "In Favor of an Energy-efficient Society." Begun in October 1978, the study is the work of a panel of independent experts—energy specialists, economists, politicians, businessmen, trade unionists, and ecologists—chaired by Jean Saint-Geours, of France. It is a rigorous analysis of the Community's energy potential and conservation techniques within the overall economic, institutional, social, and cultural context. In dissociating economic growth from increasing energy consumption, the study comes remarkably close in its conclusions to the Harvard project. Perhaps this uncanny convergence heralds an emerging Western energy consensus.

"The gravity of the risks incurred by Europe due to its dependence on external supplies calls for a particularly vigorous and comprehensive policy for rationalizing the use of energy," says the Commission study. Europe can meet this energy challenge, according to the energy panel, without putting at risk the values, traditions, well-being, and liberties which Europeans hold dear to their hearts. But the development of an energy-efficient society cannot be decided in an economic planning office; rather, it demands a high degree of individual initiative and responsibility.

It is not a question of renouncing economic growth but one of redirecting growth in terms of contents and quality. On the one hand, low economic growth will delay the changes needed to bring about greater economic moderation. On the other hand, in a world where price increases for imported energy generate unemployment and inflation, rapid growth can only last if it is based on a long-term energy-saving policy which is more comprehensive and more radical than those seen in the past. Such a policy can only succeed if it has large popular support.

In a letter to EC Commission President Roy Jenkins, Saint-Geours stresses that public involvement and understanding in the EC member states will be much greater if political action is seen to be an element of a Community

strategy aimed at energy-efficient growth. Thus the panel calls on the EC Commission to draw up and recommend a comprehensive and integral policy to dissociate economic growth from energy consumption. This would help create a favorable investment climate in the member states and encourage innovation.

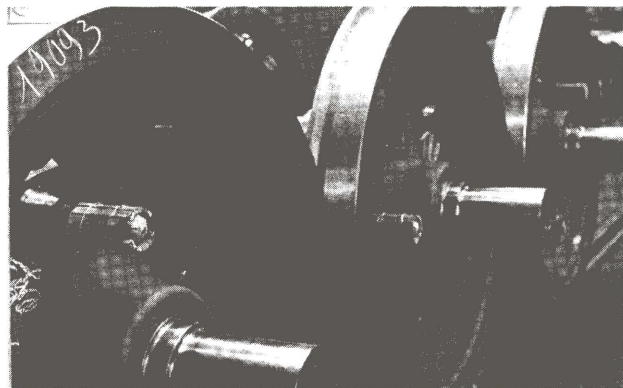
The panel recommends that such a policy be implemented in the three key areas of pricing, research, and energy use:

- The EC "Nine" must harmonize their policies to ensure that energy prices take full account of the cost of replacing resources. Costs and prices should be more transparent and made more public.
- Research, development, and demonstration programs dealing with energy conservation techniques should be expanded through the creation of European institutions and structures for scientific research and by studying the economic and social questions involved in the diffusion and effective use of energy conservation technologies.
- Common standards for technical performance must be introduced by voluntary agreements or legal provisions covering motor vehicles, heating installations, and the principal household appliances, whether imported or manufactured in the Community.

Specific suggestions put forward by the group cover efficiency standards for buildings; information and publicity; the creation of a network of advisory centers supported by training facilities that promote the development of methods for measuring, regulating, and monitoring energy consumption; a substantial increase in financial allocations for energy-savings measures (investment aid in particular). Finally, the national, regional, and local authorities can through their purchasing, internal organization, and their taxation policies, have great influence over efficient use of energy. Bold initiatives taken in these areas can give new scope for industrial initiative and, by making energy conservation "good business," lead to the creation of new jobs.

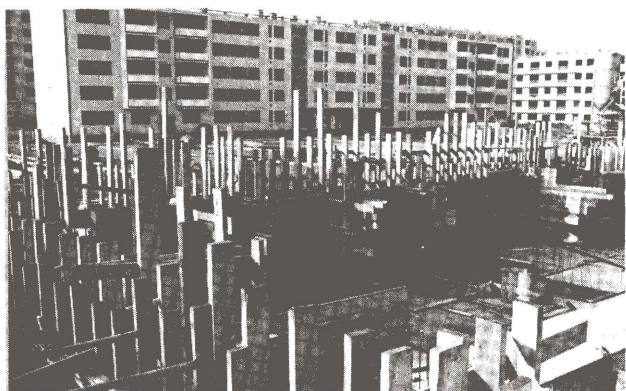
Over the medium term, energy conservation can release a great deal of resources. These resources are there

for the taking if only researchers, manufacturers, consumers, and governments can coordinate their efforts. According to the Saint-Geours report, savings possible by the year 2000 could be as much as: (1) 20-to-35 per cent in the transport sector; (2) up to 50 per cent in the housing and service sectors; and (3) 15-to-35 per cent in industry and agriculture.



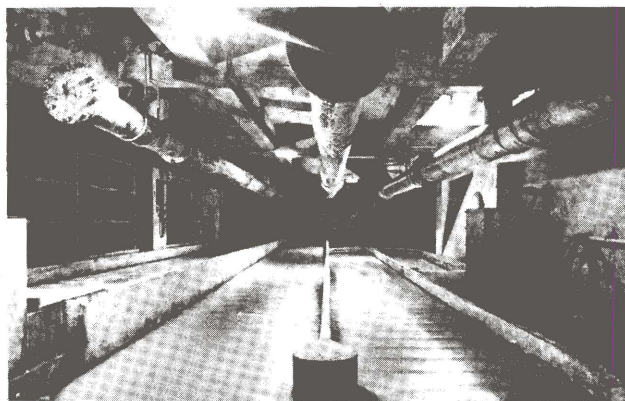
1 In the transport sector, the technological opportunities are:

- For road transport (two-thirds of the transport sector's total energy consumption), new car designs can lead to smaller, lighter, more aerodynamic cars with improved tires, fuel, and lubrication, special motors—preferably diesel—and more economic electronic fuel-injection systems. The drivers of these new types of cars should be encouraged to be more “relaxed” and more energy conscious. Improvements in public transport systems can also be examined, particularly urban systems, even though enormous savings cannot be expected simply by substituting personal transport systems by public transport.
- For railways, using lighter materials, reducing air resistance, and recuperating energy released through braking can all lead to considerable savings.
- In aerospace, the new generation of engines can bring about large savings as can new wing design and the use of lighter structures.



2 Savings in the domestic and service sectors, and in particular heating (80 per cent of consumption in these sectors), can be made:

- Consumption discipline means not raising the temperature above 19-to-20 degrees centigrade.
- Thermal insulation in existing buildings can be increased; the design of new buildings can be improved; new materials can be employed.
- An improvement of materials and installations (such as boilers) can be improved, and electronics to regulate and control temperature can be extensively used.
- District heating systems can be extended, and new technologies, such as solar heating, can be developed.



3 In industry and farming, potential energy savings include:

- Various large energy-consuming sectors — such as steel (which absorbs a quarter of industrial energy consumption in France and in the United Kingdom) and also chemicals, paper pulp, and certain activity in the building sector — are declining.
- Energy can be recuperated in the form of heat, and in certain cases the production of heat and power can be combined. The energy yield in a thermal power station in relation to fuel used is about 35 per cent. By contrast, under certain conditions, an integrated plant can achieve a yield of 75 per cent, of which 25 per cent is electricity and 50 per cent heat that is reusable by district heating networks.
- The use of electronics and microprocessors can be increased to improve regulation and control.
- New, less energy-consuming products, whose components are recycled, can be developed.
- Recourse to renewable energy sources such as solar energy can be increased.

IT SHOULD BE STRESSED, HOWEVER, that the development of an energy-efficient society is not just the concern of science and technology. A number of economic, cultural, and institutional brakes must be released, and ultimately models of production and consumption may have to change — which is to say that simply imposing norms or controls is not enough. The Saint-Geours report argues in favor of greater public participation in decision-making about collective issues. Within a pluralist society the people should also be encouraged to experiment in an

autonomous way with new forms of social life and new, more energy-saving ways of living. In the long term this could mean small towns or medium-size communities fueled by solar energy. Current aspirations for a higher quality of life, with more satisfying and less competitive jobs, and greater respect for the natural and human environment are also factors that may help reduce energy consumption.

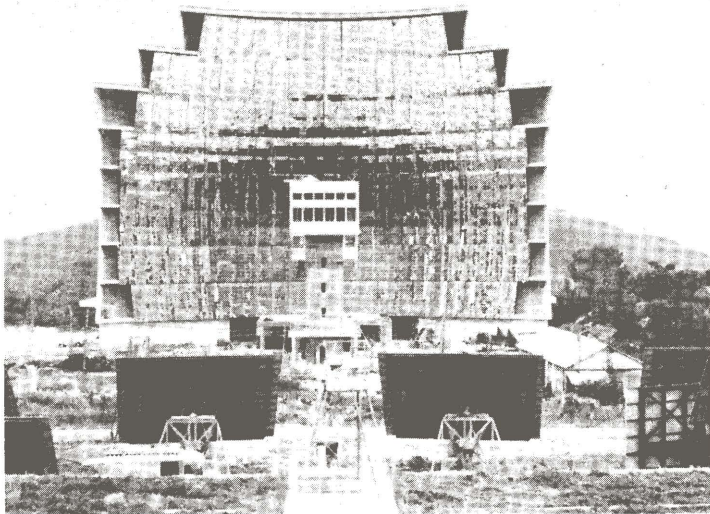
The obstacles should not be underestimated, however:

- When the user is not fully aware of energy costs or takes little long-term account of them — in particular, the scarcity of certain types of energy — wastage is effectively encouraged.
- Other obstacles are linked to the desire for short-term profitability. This has particularly been the case with industrial investment in property, especially when the property is not occupied by its owners. What is the point of modernizing the heating system if the fuel oil is paid for by the tenant?
- In two large energy-consuming sectors — cars and the heating of buildings — legal norms and requirements are sometimes inadequate. The production and rational use of heat and power are often hindered by rigid organization which helps centralize production while segregating the different forms of energy.
- Consumer information and education are often lacking. Even people in industry are sometimes unaware of the materials and processes available.

CREATING THE RIGHT CONDITIONS FOR ENERGY SAVING is generally the responsibility of national governments. They have already implemented programs that have helped reduce the Community's energy consumption by about 8 per cent between 1974 and 1977. Apart from certain recent crisis measures that limit, for example, car usage or heating oil consumption, the range of measures adopted is wide and is increasing all the time:

- Thermal insulation of buildings — the obligation to insulate new homes and also to renovate existing homes.
- Heating systems — improving or converting installations, standards for installations, maintenance control, limitation of the maximum temperature of offices and homes.
- Transport — information campaigns, speed restrictions, control of energy-conservation publicity, voluntary agreements with the car industry for progressive improvements of vehicle performance.
- Research assistance in developing and demonstrating new processes as well as industrial investment aid.

Endowed by the EC treaties and by various EC Council resolutions, the Community has been moving toward a common energy policy. Toward this end, the member states are encouraged to exchange information and to coordinate energy conservation efforts:



Financial support for solar research is part of the Community's energy effort. Shown here is a solar oven in the French Pyrenees.

- Measures taken by member states could, if not suitably harmonized, hinder the free movement of goods within the Community or cause a distortion of competition. For instance, different obligatory fuel consumption norms are applied throughout Europe, and these tend to segregate the large market that the car industry needs for expansion.
- The experimental nature of many national programs makes the exchange of results and information particularly valuable; coordination of such research can prevent a costly duplication of effort and enable general interest studies to be fruitfully conducted.
- Looked at in its broader context, an energy-savings policy is inseparable from policies for employment, industrial reorganization, and external relations. In all these areas, the Nine have conferred certain responsibilities on the Community. In the longer term, the problem of energy-efficient growth will require fresh thinking about a new model of society for the EC countries—a model that must be developed at the European, not national, level.

Several measures have already been taken by the Community to encourage energy saving:

- Since 1975, the Nine have adopted several EC Commission proposals aimed at reducing energy demand and ensuring more rational use of energy in buildings, industry, road transport. Three directives (of an obligatory nature) adopted in 1978 and 1979 deal with the performance of heating appliances (for hot water or heating) and the labeling of energy-consumption information on household appliances.
- A Community research program coordinating the work of numerous national laboratories was introduced between 1975 and 1979 at a total cost of 11 million European units of account (EUA). A new program extending to 1983 would be endowed with EUA 27 million.
- Financial Aid (EUA 55 million for the period 1978-81) has been accorded to demonstration projects to accelerate the development and commercialization of new

energy-saving equipment. Community loans will be available in the near future for such investment projects.

NEW COMMISSION PROPOSALS aim to achieve an additional 1 per cent saving each year; so that for every 1 per cent increase in economic growth, energy consumption will only increase by 0.8 per cent, and by 1990, only 0.7 per cent. The Commission has outlined a general program that would leave each member country free to choose its priorities in function of national situations. The principal points of the program are as follows:

- A transparent and realistic energy price and taxation policy taking account of scarcity and long-term costs.
- A progressive upward revision — in line with technical progress — of the performance standards required for new buildings and heating systems (maintenance should also be better controlled).
- A construction code introducing obligatory norms for offices and other services and covering, in particular, heating, air-conditioning, and ventilation systems.
- Financial aid for the modification of existing buildings and for demonstration projects aimed at public-sector housing and offices.
- Scientific research and financial aid to assist the commercial promotion of new energy-saving equipment and processes.
- Financial aid to encourage industrial investment in energy conservation and to develop advisory and expertise services for small and medium-sized companies that lack suitably qualified personnel.
- Encouragement of combined production of heat and electricity and its rational use.
- A greater effort in the area of public information, education, and publicity over energy prices, energy consumption of appliances, and possible savings (labeling of domestic appliances, individual metering and invoicing of heating in multi-occupant buildings, standardized measuring methods and publicity concerning vehicle fuel consumption, energy-savings campaigns directed at transport, educational programs in schools at all levels, and in vocational retraining).

For its part, the Commission tries to ensure increased exchange of information and coordination within the Community. Such coordination deals first and foremost with the harmonization of norms and national aids, scientific research, energy savings in buildings, evaluation of the effectiveness of industrial investment, and the production and rational use of heat and electricity. The Commission is also studying the possibility of setting up a European technology data bank to bring together all available information on energy conservation and put them at the disposal of architects, engineers, and others throughout the Community as rapidly as possible.

The Commission is also extending its participation in research, industrial development, and the commercial

diffusion of new techniques, as well as encouraging specialized international organizations to accelerate their work in establishing energy-consumption norms, particularly for heaters and household appliances; negotiations have been opened with European manufacturers to establish joint targets for voluntary reductions in fuel consumption.

The Commission's proposals run along the same lines as the recommendations in the Saint-Geours report. But, says the Commission, these questions should be discussed not only by Community organizations and national governments. A wider public debate on relationships between energy, economics, industrial, and social problems must be stimulated. It is up to the European public to decide on the social changes that will be needed over the coming 20 years.

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JOHANNES C. WELBERGEN

Formerly chairman of the management board of Deutsche Shell AG; president and chief executive of the Conference Board in Europe.

EUROPE'S MASS TRANSIT

*Not as good as it could be,
but at least it's there*

ADRIAN DICKS, *deputy foreign news editor of the London Financial Times*

WITH EUROPEAN CURRENCIES RISING EVER FASTER against the dollar, and European prices themselves climbing remorselessly from year to year, American visitors to the Community can be forgiven if they feel public transport is still one thing they can take comfort in. Literally—for the all-first-class luxury of a Eurailpass remains a pretty good bargain—and also figuratively. European trains, buses, subways, trams, and ferryboats still offer a range and frequency of service that make them a practicable way to get about.

Try explaining that to most European users of the public transport system, however, and you are likely to get at best a wan smile. Passengers on a Paris Metro train, jammed in like sardines in pre-World War II coaches, or travelers on a creaking Milan trolleybus, or Southern Region commuters into London warned that “engineering works on this line over the next six years may cause some delay to services”—all are liable to be about as good-humored as American drivers waiting in gasoline queues. The fact is that while mass transit in Europe is still carrying people, it is doing so less efficiently and more expensively than was the case even a decade ago in nearly every country.

Little would remain of railways, big-city commuter systems, or municipal buses without billions of dollars' worth of subsidies from governments, and there have always been plenty of voices in favor of cutting the money off and spending more on roads. Often overlooked is the fact that such things as publicly built and maintained roads as well as government oil controls are of course subsidies for automobiles.

No less than the Americans, Europeans have for the past 20 years or more been buying private cars in increasing numbers precisely in order *not* to have to depend on public transport. The resulting loss of millions of passengers a year to the roads has, just as in the United States, aggravated the financial problems of mass transit systems and hence weighed on services. It has also helped



“Cities such as London have recognized that if ever the private car owner is to be persuaded to leave his car at home and commute to work by public transport, it has to be made quick, clean, and convenient for him to do so.”

© Erich Hartmann, Magnum Photos, Inc.

the power of the automobile constituency politically, while leaving as the main public transport users the very people who tend to have the least clout—those who are too young, too old, too infirm, or too poor to be able to drive themselves to their destinations.

Even after the latest round of oil price increases, it is far from clear that such huge and unwieldy enterprises as the *Deutsche Bundesbahn* (the German Federal Railways), France's *Société Nationale des Chemins de Fer* (SNCF—National Railway Corporation), Italy's *Azienda Autonoma delle Ferrovie dello Stato*, or the British Railways Board can ever actually "pay." No better off are the big city transit authorities such as London Transport or the *Régie Autonome des Transports Parisiens*. All must contend with huge networks demanding regular services at prices often too low to cover their operating costs, let alone repay accumulated capital deficits or finance major new investments.

Most of the major European countries' mainline rail networks are still too big, despite years of trimming down by governments and by successive economy drives. It has to be remembered that the networks themselves are rarely the result of any planning of the kind that might be expected in the present era of forecasting, market research, and traffic study. To look closely at the railway maps is to recall the boom of Nineteenth Century rail-based investment—a time when it could pay rival companies to build, say, separate lines out of Paris's Gare d'Orléans and Gare de Lyon along each bank of the Seine, or the three termini of King's Cross, St. Pancras, and Euston within a mile of one another in London, with services almost racing one another to the same cities.

If duplication of railroads is one part of this legacy, another is the maze of rural lines still serving remote communities, whose usefulness and convenience often haven't survived the spread of good roads. For the best part of two decades, railway managements have tried to prune back uneconomic track by thousands of miles, or to replace trains with bus services. The process has already gone a long way, leading in many country areas to complete dependence on motor vehicles. Most railway managements would probably like to cut their networks back still further if they could have their way, although the fierce opposition of local communities, rail staffs' trade unions, and sometimes national governments has made them more circumspect.

MODERN MANAGEMENT AND ACCURATE ACCOUNTING were, in any event, slow in coming to most European railways, even if micro-processors are now being applied to everything from reservations and passenger ticketing to signaling and the making up of freight trains in the marshaling yards. Yet the application of business thinking has at least enabled the railways and the taxpayers

who ultimately own them to understand which parts of the operation can be developed and which parts are the hopeless money losers. State and local authorities are finding themselves obliged in some countries to pay the bills themselves to keep uneconomic rail links open, while in others national governments make direct aid available to the railways for so-called "social" passenger services to be kept open.

Yet even solutions such as these have not made it possible for most European railways to stay in the black. Germany's *Bundesbahn*, for one, is likely to run up an operating deficit of above \$2 billion this year, to say nothing of an accumulated deficit that could reach \$20 billion by the mid-1980's according to the gloomy forecasts of the country's taxpayers' federation. The French SNCF has in recent years been losing around \$3 billion a year. British Rail, benefiting from both write-offs of past debt and from the financial separation of its "social" train services, turned a modest \$12 million profit on operations during the last financial year, yet will still need nearly \$2 billion in state funds this year to maintain its modernization and investment programs.

Long-term solutions remain difficult to see. Railways have stepped up their marketing, and improved the quality of service on trunk routes likely to appeal to business travelers yet which are too short to be worth flying—London to Birmingham or Manchester, Frankfurt to Düsseldorf or Stuttgart, or Brussels to Paris or Amsterdam. They have also stepped up fares for such services a good deal—to the point where, if Europe should ever experience true and unfettered competition among airlines, there could be some pressure on inter-city train fares, too.

In recent years, comfort and cleanliness have improved a good deal on ordinary trains, as the railways have fought at least to hold their share of traffic. Marketing men have turned to such services as the Trans Euro Night trains, which can save drivers prudent enough to book well ahead hundreds of miles of tedium on the road by taking their cars and families piggyback on trains from northern Europe to the popular resort areas of the Mediterranean. Catering services have become more flexible so that, if the five-course, full dinner is no longer what it used to be (except perhaps in France or Belgium), the less well-to-do traveler can now usually get a modestly priced meal in a self-service buffet car on long-distance trains.

Yet all this seldom seems to fill trains except at peak traveling times—Christmas, Easter, Whitsun, or summer weekends, when sheer overcrowding can frighten plenty of people back to the roads. (It is nothing to have to stand all the way from Paris to Toulouse or from the Ruhr to northern Italy.) There remain the thousands of trains that seem to run empty much of the time.



"European commuters are liable to be about as good-humored as American drivers waiting in gasoline queues." © Robert Mottar, Photo Researchers, Inc.

A recent study launched by the beleaguered German Transport Ministry is looking into one possible financial solution which, if it were to prove workable, could conceivably be a model for railways elsewhere. It is to separate operations—for example, running trains, selling tickets, and handling freight—from responsibility for the actual rail beds, tracks, and rights-of-way. The railways would take on the former, with an obligation to show a profit, while the latter would be made the taxpayer's responsibility directly, as is the case with government maintenance of the road system. In this way, the plan's authors hope, rail might at last be freed from the millstone of past debt (much of it war reconstruction in the *Bundesbahn's* case) and put on an economically more equal footing with road haulage—a goal which, it is pointed out, would help save oil consumption as well as traffic congestion.

A second chronic worry that most European railway managements would rather be relieved of is the vast array of commuter services into major cities. Some countries, including Germany and France, have already placed these on a separate financial basis, with state, local, or national governments providing subsidies to keep them running on grounds other than whether or not they turn a profit. The other side of the coin has been a growing—if in certain European cities long overdue—integration of suburban railways with bus and underground systems, allowing for use of the same stations, joint season tickets, and staff rationalization.

IF THERE IS ANY AREA IN WHICH EUROPE CAN BE SAID TO have pressed ahead during the 1970's, it has been in the recognition that municipal transport is increasingly not merely a local but a regional concern. Cities such as London, Paris, Munich, and Hamburg have all recognized that if ever the private car owner is to be persuaded to leave his car at home and commute to work by public transport, it has to be made quick, clean, and convenient for him to do so. Thus the new *Réseau Express Régional* in Paris brings commuters rapidly and almost noiselessly right into huge, new, space-station-décor complexes burrowed out under the roots of the city at the Opéra and the Halles. In Munich, you can travel from virtually every suburban station to the Marienplatz in the city's heart. Milan's more recently begun subway brings commuters to the Piazza del Duomo. Commuters into London still have to change from trains to subways or buses, yet a growing number of interchanges are being improved and suburban train services routed through underground tracks.

New spending on mass transit systems continues to run at a high rate. If Paris has now completed much of its ambitious program of new subway lines, and new interchanges, visitors to Lyon and Marseille can still see vast works in progress. In Amsterdam, the city fathers are mulling over a massive plan to improve public transport and to try to keep the car almost completely out of the center. Scarcely any large German city is without huge earthworks in the center, while even the medium-sized

capital, Bonn, has just spent \$50 million or so on a new underground interchange to bring its existing tram services together at the main railway station. London has completed the Jubilee Line this year, driving new tunnels deep under the West End, and wants funds to extend it eastwards into the former port area, traditionally poorly served by the underground. Last year it finished a huge extension of the Piccadilly Line out to Heathrow airport.

Spending on buses and (where they still exist) trams has been less lavish. Yet most European transit authorities have realized that to maintain services and to keep passengers, they must invest in new equipment. Much of this has been designed to lower overheads by reducing the huge—and usually lacking—staff numbers. Thus Paris has done away with the *poinçonneuses*, the ladies who used to punch a hole in every traveler's ticket by hand. Germany and the Netherlands have abandoned all systematic ticket control, relying instead on a relatively high number of spot checks by plain-clothes inspectors and on advertising campaigns against “black riders” to make sure people don't travel without paying. London, with its more complex system of differentiated fares, is installing more electronic gates in underground stations and is going over to more one-man buses.

The energy problem has certainly helped transit administrators in their ceaseless battles for ambitious new projects and for subsidies to keep services running. It has probably come just about in time. For it is not so much that Europe has kept its public transport systems out of



Experimental French aerotrain south of Paris—the testing of which did not live up to expectations. © J. Pavlovsky, Photo Researchers, Inc.

foresight; there have been long years during which those who believe in them have been isolated voices. Even now, these systems face difficulties in recruiting staff, in persuading city authorities to create “bus only” lanes in busy streets, and in cutting down waiting times for services. Most passengers would probably still prefer to take their cars, were it not for traffic jams, parking problems, and the like. Yet when all these make the private car either an extreme luxury or an impossibility, inhabitants of big European cities do at least still have an alternative.

“Even after the latest round of oil price increases, it is far from clear that such huge and unwieldy enterprises as Italy's Azienda Autonoma delle Ferrovie dello Stato can ever actually ‘pay’.” Shown here, Milan's central railway station. © Paolo Koch, Photo Researchers, Inc.



A Streetcar Named Europe: The Transit Trade

"A glimpse of the transportation future of the United States in a petroleum-short era" is the way American Public Transit Association Executive Vice President B.R. Stokes described his recent European inspection trip.

"To rebuild our transit from the disarray caused by the automobile-dominated policies of the United States in the past four decades," is what New Jersey Department of Transportation Commissioner Louis J. Gambaccini wants to "learn" from Europe. For Gambaccini, the most important lessons are "stability of funding and goals and continuity of policies."

Urban public transport development in Europe has been the virtual opposite of that in the United States. American pent-up demand from the war years led rapidly to mass motorization and the move to suburbia. As Detroit retooled for civilian production, house-buying in suburbs boomed with mortgage subsidies for the returned G.I's. Interstates became commuter routes, and increased finance for highway construction provided by the 1956 Federal Highway Act reinforced the trend of dispersed land-use patterns — including shopping centers offering the same goods and services available in the cities.

In Europe, on the other hand, mass transit was closely linked to urban and industrial postwar reconstruction. Ambitious construction of urban light and heavy rail systems during the late 1950's and early 1960's was in stark contrast to the United States, where streetcars disappeared from all but a few cities and the only ground broken for new subways in this period was in Cleveland (1953) and San Francisco (1964). While European urban rail car manufacturers were able to evolve and refine their products, US producers had little scope in a lean and sporadic market.

Wary of procurement policies, the feast-famine nature of the market, and foreign competition—the old US rail car manufacturers — Pullman and St. Louis Car Co. — as well as the new entrants from the aerospace industry — Rohr and Boeing-Vertol — no longer seek rail car contracts. The aerospace companies entered the market when their production for the Vietnam war declined and then left it after financial shocks from their attempts to buy "learning time" by offering low bids in anticipation of future gains. While Boeing-Vertol's rapid transit car delivered to the Chicago Transit Authority is certainly reliable, transit engineers have expressed doubt as to the value of aerospace technology in the

dirty environment of urban transportation. The sole US rail car manufacturer still actively soliciting prime contracts is The Budd Company — owned by Thyssen AG of Germany.

Concerns about foreign competition led to the passage of a "Buy America" provision in last year's Surface Transportation Act. Under the provision foreign competitors must bid 10 per cent below the lowest US bid on contracts over \$500,000 in order to win. In addition, Buy America calls for final assembly to take place in the United States and more than 50 per cent of the components to be US manufactured. The provision is expected to lead to various forms of teaming between foreign transit equipment manufacturers and US corporations — including some who have left the rail car industry as prime contractors.

To comply with "Buy America," Italy's Breda Costruzioni Ferroviarie — the lowest bidder on the Washington Metro rail vehicle contract — will establish an assembly plant in the Washington metropolitan area. Delivery of the 94 cars, worth \$76 million, is expected to begin in June 1981. The new cars will have the same exterior as those in use, which were

made by Rohr Industries of California.

France's Société Franco-Belge (SFB) was the first European rapid transit car manufacturer to land a US subway deal. In 1976, the Metropolitan Atlanta Rapid Transit Authority (MARTA) signed a \$54 million contract for 100 rapid transit cars. While delivery is behind schedule due to US component delays, MARTA officials are satisfied with the car, which recently won an aluminium extrusion contest. The extruded aluminium bodies were made by the Swiss company Aluisse and are based on a refined design of those used on SFB's 1,000-car order from the Paris Métro.

SFB Marketing Vice President Jean-Guy Marret reports his company will begin the search for the "right US partner" this month. SFB has established a US subsidiary in Atlanta, but Marret says a large order will be needed before any substantial direct investment in an assembly plant is even considered. The company's experience in losing out to The Budd Company for the Miami/Baltimore joint contract has not dissuaded Marret, who says, "we had been working for two years on aluminium specifications and a few weeks before we were told only steel would be acceptable."

SINCE HEAVY RAIL SUBWAY construction costs of \$60-\$80 million per mile is outside the reach of most US cities, former Urban Mass Transportation Administration Associate Administrator for Policy and Program Development

Atlanta's new rapid transit cars built by France's Société Franco-Belge. courtesy American Public Transit Association





Artist's conception of the light rail vehicles for Cleveland being built by Breda in Pistoia, Italy, with final assembly in the Cleveland area. courtesy American Public Transit Association

opment C. Kenneth Orski believes the United States should look to Europe for lessons in light rail transit — that is, streetcars. Orski's reasons for favoring light rail vehicles (LRV's) are that they do not run on petrol and that a more energy-saving land-use pattern is promoted by fixed guideway transit than by buses.

Construction has begun on Buffalo's new light rail transit system, and optimistic prospects in Portland and Pittsburgh are likely to stir interest in the US streetcar market for some time. So far, Europeans have won streetcar orders from San Diego and Cleveland.

Breda, which won a \$32 million order for 48 LRV's from Cleveland, faced stiff competition from six foreign and two US bidders. Although the contract was signed prior to passage of "Buy America," Breda will assemble the cars in Cleveland and call on a number of US subcontractors including Westinghouse.

San Diego has signed a \$10.8 million fixed price contract with Siemens/Duweg of Germany for 14 U2 LRV's. The LRV's will travel on a new 16-mile line from downtown San Diego to San Ysidro on the Mexican border. U2's are widely used in Germany and have been sold to Edmonton and Calgary in Canada. Since San Diego will purchase the vehicles with only local and no federal funds, the deal does not fall under the "Buy America" provision.

European transit equipment manufacturers face stiff competition from the Japanese and Canadians. Kawasaki of Japan, winners of the Philadelphia LRV contract, is negotiating with Boeing-Vertol for the possible use of its rail car assembly facilities.

But the present undercapacity in the US bus industry has brightened prospects for European suppliers. The German manufacturers MAN have sold 398 buses to a consortium of 11 US cities. After this \$66 million deal MAN is considering, "a number of possibilities," for

its US operations with the exit from the bus industry of its partner AM General Corp.

In their efforts to cut maintenance and operating costs, US transit operators are increasingly looking at foreign equipment and systems. A recently installed wheel-truing machine from Hegenscheidt in Germany has greatly assisted Chicago transit operators in their strive for efficiency. The machine has cut truing time from a minimum of 48 hours to a maximum of eight hours on two cars with a total of 16 wheels.

In anticipation of subway construction possibilities in Los Angeles, San Juan, and Honolulu, the French firm MATRA has signed "an agreement of cooperation" with Boeing of Seattle. Boeing hopes to market and install MATRA's highly automated train speed signal equipment.

US transit officials are keenly aware that some uniquely American solutions must be developed and are looking to various forms of "paratransit" — particularly conducive to areas of dispersed land use. And includes various forms of ride sharing such as jitney services, car pools, and dial-a-ride systems. Under a US-German memorandum of understanding the two countries have shared data on paratransit. On the basis of US data, German authorities developed Berlin's Telebus system in less than a year. As dispersed land use evolves in Europe, many operators across the Atlantic want to learn from the more than 100 US paratransit systems.

A new receptivity on both sides of the Atlantic to thinking "small and simple" is seen by Orski. He sees light rail and paratransit as a quest for a more appropriate intermediate transportation technology, "a technology with a human face, built on a human scale, and designed to serve people, rather than making people servants of the system."

—Jonathan C. Katzenellenbogen, staff

The German manufacturers MAN, in partnership with AM General Corp., sold articulated buses, such as that pictured, to 11 American cities. courtesy AM General Corp.



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EUROPE LOOKS SOUTH

A new EC-ACP trade and aid convention

PETER BLACKBURN, *Brussels-based British writer*

NEGOTIATIONS FOR A NEW TRADE AND AID CONVENTION between the European Community and 57 African, Caribbean, and Pacific (ACP) developing countries were concluded in Brussels after a final 48-hour marathon ministerial meeting in late June. It was the fifth ministerial level meeting since the negotiations officially opened in July 1978. The new five-year pact would replace the 1975 Lomé Convention, which expires on February 28, 1980.

The ACP ministers planned to hold a special meeting, possibly in the Liberian capital of Monrovia, to examine the final text and see whether it is acceptable. If, as seems likely, the result is positive, then the new convention would probably be signed either in the Sudanese capital of Khartoum or the Togolese capital of Lomé. This "ad referendum" procedure is the same as at the conclusion of the Lomé Convention.

The main features of the new convention are a 62 per cent increase in the amount of EC aid, to 5.6 billion European units of account (EUA) (\$7.4 billion), and a plan to help ACP producers of copper, tin, and other vital raw materials. The convention also would promote and protect European investments, which have almost dried up in Africa due to political uncertainty. A technical center to collect and spread information on farming in ACP states would be set up; fisheries and shipping would also be covered by the new convention. Another innovation is that ACP workers in the Community would enjoy the same working conditions, social security, and earnings rights as citizens of the nine EC member states, and the ACP states would give the same rights to EC workers.

Irish Foreign Minister Michael O'Kennedy, current President of the EC Council of Ministers, said, "Very significant conclusions have been reached on all elements of the negotiations." EC Commissioner Claude Cheysson, responsible for development aid, said that the new convention was a "considerable step forward" beyond the old Lomé Convention, "the only regional pact between industrialized and developing countries which works." Cheysson admitted that the negotiations had been "hard" but no tougher than others between indus-



trialized and developing countries. He explained, "We were talking brass tacks, about concrete matters with immediate consequences." He praised the unity of the ACP states, stretching from Jamaica in the Caribbean to Fiji in the Pacific, which had greatly increased their negotiating strength.

From the ACP point of view, however, the new convention is little different from Lomé and does not match up to the "new, dynamic advance" called for at the start of the negotiations by Jamaican Foreign Minister James Patterson, who was then president of the ACP Council of Ministers. The ACP states complained that the extra aid barely keeps pace with inflation, that the extra trade concessions are marginal, and that their request to set up a special industrial development fund was rejected.

On the other hand, the ACP turned down an EC proposal to include a reference to human rights, championed by the Dutch and British, and argued that the convention only covers economic matters and should not interfere in

domestic politics. The Community, concerned by what had happened over the years in Uganda, may add a unilateral declaration to the convention.

Several factors explain the lack of dramatic innovations. Firstly, Lomé has been in force just over three years; and, as it is working satisfactorily, the Community saw no need to make major changes. Secondly, energy problems and continued economic problems, resulting in over 6 million unemployed in the Community, have reduced the margin to make major new gestures on trade and aid. Thirdly, unlike Lomé, whose nature and scope was enlarged to include Commonwealth Anglophone countries in the Caribbean and Pacific as well as the

for the 300 million people in the ACP states. Most of the aid (EUA 4.5 billion) would be channeled through the European Development Fund (EDF) and be used to finance rural development, economic infrastructure, education, and health projects. Some EDF aid would be used to provide special loans and risk capital for industrial projects. EDF funds would also be used to finance the agricultural commodity export earnings system (Stabex) and a new plan to maintain minerals production. The EDF is financed by contributions from the EC member states—about 75 per cent of which come from Germany, France, and the United Kingdom.

The activities of the European Investment Bank (EIB),



EC-ACP Consultative Assembly meeting in Luxembourg during the negotiations for renewal of the Lomé Convention.

African Francophone countries of the previous Yaoundé Convention, the new agreement caters to essentially the same countries and thus the same financial and commercial needs as Lomé.

MAIN FEATURES OF THE NEW CONVENTION ARE AS FOLLOWS:

- **Aid:** The amount of aid would be increased by 62 per cent to EUA 5.6 billion (one European unit of account is equivalent to about \$1.38). This was the subject of tough bargaining and the main reason why the negotiations were not concluded at a joint ministerial meeting in Brussels at the end of May. The ACP states had originally demanded EUA 10.8 billion, while the Community was only prepared to give EUA 5.1 billion. In the end the Community increased its offer by 10 per cent but made it clear that it could not go any further in view of the difficult economic situation.

The aid represents \$5 per head annually over five years

which finances projects of commercial interest, would be considerably expanded. Its funds would be doubled to EUA 885 million and would include EUA 200 million reserved for investments in mining and energy projects. The remaining EUA 180 million of the EUA 5.6 billion in aid would come from the Community budget and be used to finance the EC delegations in the ACP states.

Priority would be given to aiding the 35 least developed, island, and landlocked countries. Not only would they receive a greater share of aid, but it would also be given on more concessional terms. Special efforts would be made to help solve transport, communications, and energy problems.

Most of the EDF and Stabex aid would be provided in the form of nonrepayable grants, while the EIB loans would be made at reduced interest rates. About 15 per cent of EDF funds would be reserved for regional projects involving several ACP states and represents a 5 per cent



Community aid helps meet health needs, such as hospital facilities for children shown here in Chad.

increase compared with the Lomé Convention. These funds would also be used to finance the activities of the Center for Industrial Development (CID), which was one of the innovations of the Lomé Convention. Another ECU 200 million of EDF funds would be reserved to provide cyclone, flood, and other types of emergency aid. More EDF aid would be given to the highly successful micro-projects benefiting small local communities.

• **Minerals:** A “minerals system,” the main innovation in the new convention, would help ACP states such as Zaire and Zambia, whose economies are highly dependent on minerals, maintain production. At the same time the system would help guarantee vital raw material supplies for European industry.

The system covers nine strategically important minerals: copper and cobalt (Zambia, Zaire, and Papua New Guinea), phosphates (Togo and Senegal), bauxite and aluminum (Guinea, Jamaica, Surinam, and Guyana), manganese (Gabon), tin (Rwanda), iron ore and iron pyrites (Mauritania and Liberia).

The Community would provide ECU 280 million in the form of special loans from EDF funds to maintain production threatened by political upheavals, accidents, and other problems. Only those countries which export to the Community may benefit. In addition, the mineral must represent at least 15 per cent of the country’s total export earnings over the past four years. Aid would only be given when either the production or export capacity threatens to fall substantially—that is by more than 10 per cent.

The Community would also provide technical assistance for mining research and exploration. In order to

encourage private investment, specific investment protection agreements may be concluded between the Community and ACP states. This would be of special interest to investors from the smaller EC member states such as the Netherlands and Denmark which do not benefit from bilateral investment agreements. It is hoped that such guarantees would help reverse the serious decline of European investment, which has practically dried up in Africa. Otherwise, European industry could be affected by a serious shortage of raw materials in the 1980’s.

• **Stabex** (*Stabilization of Export Earnings*): The main innovation in the Lomé Convention, Stabex compensates ACP exporters of groundnuts, cotton, and other commodities against major losses in earnings due to fluctuating prices or production problems. Many ACP states depend on one or two commodities for the bulk of their export earnings.

In the new convention the amount of Stabex aid would be increased from ECU 375 million to ECU 550 million. The number of products and by-products benefiting from the system would be increased from 34 to 44, including such items as rubber, cashew nuts, prawns, and squids. The system would also be more flexible to enable the ACP states to benefit more easily from the aid. For example, an ACP state could claim Stabex aid when banana export earnings fall by only 6.5 per cent—compared with 7.5 per cent currently under Lomé.

• **Trade:** This was the most difficult subject in the negotiations. Much of the final marathon meeting was spent arguing over carrots and onions and other farm products. The argument concerned the 0.5 per cent of ACP exports that do not enjoy free access to the Community market—mainly farm products protected by the EC common agricultural policy. In the end, the Community agreed to give extra trade concessions—but not free entry—for a number of products ranging from tomatoes to tinned passion fruit.

Not only would the EC quota for imports of beef and veal from Botswana and other ACP states be increased by nearly 10 per cent, but it would be fixed for five years instead of being calculated annually. Caribbean rum exporters would benefit from improved access to other EC markets than the United Kingdom, where they are already well established. The Community would also provide ECU 40 million to finance trade promotion plans to help the ACP states take full advantage of all the trade concessions.

While the ACP states nominally enjoy free access for practically all exports to the Community, in reality this advantage is curtailed by strict rules of origin. These rules state that a significant proportion of a product’s value must be added in the ACP states to prevent goods from other industrialized countries sneaking into the Community duty-free. For example, a Japanese firm could open a



Electrification of cranes on the Lomé wharf was financed in part by the European Development Fund.

canning and fish labeling plant in an ACP state and export tinned fish to the Community under an ACP label. The ACP states complain that the Community's strict rules of origin hinder their industrial development by discouraging foreign firms from investing. In the new convention the rules would essentially be left unchanged, but exceptions would be granted more quickly and easily to ACP states, especially the poorest, which have specific problems.

The Community would also retain the right to introduce safeguard measures, although it would consult the ACP states beforehand and would not use such measures merely to protect European industry or impede structural change.

Although the ACP states are not obliged to give the Community reciprocal trade concessions, they must not discriminate among the EC member states by giving some better trade terms than others. Nor may the ACP countries treat the EC countries less favorably than other industrialized countries.

• **Industrial Cooperation:** As the ACP states diversify away from agriculture to processing farm commodities and manufacturing, industrial cooperation will assume far greater importance. While the scope for further trade concessions is limited, the Community can do a lot to promote the industrial development of the ACP states. For the more advanced among them, such as Nigeria and the Caribbean states, this is already the most interesting feature of the convention.

The aim of industrial cooperation is economic interdependence. The idea is not to resist the development of steel and textile industries in the ACP states, but to make

sure they will be economically viable and result in minimum disruption in Europe. As gradual adjustment in industrial activity is achieved, the Community would increasingly specialize in high-technology sectors.

In the new convention industrial consultations would be held between the Community and ACP states to discuss industrial policies and make them as complementary as possible. Special attention would be paid in cooperation in the energy sector, bearing in mind that the developing countries are the worst affected by the oil price increases. The Community would assist the ACP states in the exploration of energy resources and development of new forms of energy, especially in rural areas. The EIB would provide extra funds for this purpose, while the possibility of concluding investment protection agreements would encourage an inflow of private capital.

Although the Community rejected an ACP proposal to set up an Industrial Development Fund, a joint study will examine how more finance can be achieved. The budget of the Center for Industrial Development, which was set up in 1976 under the Lomé Convention to promote European investment in ACP states and contacts between EC and ACP businessmen, would be greatly increased. Technical and financial assistance for the creation of small and medium-sized firms would also be stepped up.

• **Agricultural Cooperation:** Another innovation in the new convention would be the setting up of a Technical Center for Agricultural and Rural Cooperation. The center would collect and make available information on farming in ACP states. In the Lomé Convention rural development was given 40 per cent of EDF project aid, and the planned new center confirms the continued priority given rural development.

• **Fisheries:** Since the Lomé Convention was signed, there have been important changes in sea fishing. Most coastal states have now declared 200-mile fishing zones, while the Community has assumed collective responsibility for the external fishery policies of its member states. In the new convention there would be a joint declaration outlining the framework for fishing agreements between the Community and ACP states as well as the possibility of increased cooperation in the management of fish resources. So far the Community has concluded a fishing agreement with Senegal (its first with a developing country), and more may follow with Guinea Bissau, Mauritania, and Cape Verde.

• **Shipping:** Another innovation in the new convention would be a joint declaration on shipping. The Community would help ACP states set up shipping companies, encourage joint ventures, and help train shipping personnel. The Community has also urged member states to ratify the United Nations Code of Conduct for Liner Conferences aimed at giving developing countries a greater share in the world's shipping trade.

IRELAND

MEMBER STATE REPORT

EC Presidency coincides with lowered expectations

DENNIS KENNEDY, *Dublin-based European editor of The Irish Times*

THINGS WERE LOOKING GOOD IN IRELAND AT THE BEGINNING of 1979. Indeed, the second half of the year promised to be something of a golden era, as the fruits of economic recovery coincided with the prestige of Ireland's turn in the six-month Presidency of the European Community's Council of Ministers, culminating in a European Council (or "summit") at Dublin Castle in November. All this and a visit from the Pope, not to mention a new embassy in Peking and just a glimmer of hope that Tip O'Neill was going to solve the Irish problem.

But a combination of the Ayatollah, world recession, the contrariness of some Irish workers, and, there are those who would add, a less than sure touch by the Government in Dublin has altered the scenario.

As a result the plain people of Ireland were more concerned on July 1 with counting the cost of a 19-week postal strike, with the daily problem of finding petrol for the car, and worrying about keeping warm next winter, than they were with their country's assumption of the EC Presidency. They scarcely noticed when their Minister for Foreign Affairs, Michael O'Kennedy, flew off to Bali, of all places, to represent Europe in talks on Vietnamese refugees.

Government officials were mainly occupied in heaving sighs of relief that they could make contact at all with the outside world, let alone direct and coordinate the workings of the Community. For an incredible four-and-a-half months the postal and telecommunications strike had meant no post at all, no switchboard operators in government departments, and no calls other than those directly dialed. The settlement came less than two weeks before Ireland assumed the EC Presidency, just as the postal workers were threatening to pull out the plugs on the vital telex links.

Less than a year ago the future certainly seemed golden. The Irish economy was performing remarkably well, having come late but powerfully out of recession. At the end of 1978, the Government could claim that the Irish was the fastest growing economy in the Community, having gone up in the year by more than 6 per cent; that

inflation was under control at less than 8 per cent; and that exports, increasing at 20 per cent, were outperforming those of other European countries.

It was possible for Taoiseach (Prime Minister) Jack Lynch's Fianna Fail Government to insist that its startlingly ambitious targets set after it came to office in 1977—including, most notably, the elimination of unemployment by the end of 1983—would indeed be achieved.

The targets set in January for 1979 were inflation down to 5 per cent, growth to hold up at 6.5 per cent, coupled with a drive to reduce the very high level of government borrowing. This stood at 13 per cent of gross national product in 1979, and the target was to get it down to 8 per cent by 1980. The cream-off from all this would come in new jobs, bringing nearer the era of full employment, when not only would emigration be ended—it already has been—but exiles would be tempted home, and at home there would be a job for everyone.

Academics, naturally, and opposition politicians, by vocation, were skeptical, even scathing. But the Government was ebullient; its economics wizard, Dr. Martin O'Donoghue, academic-turned-politician, first elected to Parliament in 1977 and promptly appointed Minister for Economic Planning and Development, stuck cheerfully by his plan, and chided his critics for their lack of faith, for their poor-mouths, for their timidity.

This was the background to the Government's decision, at the end of last year, to enter the new European Monetary System (EMS) without Britain—thereby effectively breaking the 150-year-old monetary union between Britain and Ireland. Hitherto parity had been maintained between the British and Irish pounds, and both currencies had circulated freely in all of Ireland.

"Breaking the link" was indeed an historic action. Some, including Government ministers, saw it as the last act in the drama of Ireland's liberation from colonial domination. Certainly it symbolized rather neatly the great transformation in Ireland's external relations that has been accomplished largely through EC membership.

In practical terms it was assumed the break would



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mean the Irish Government would have much greater control over its own monetary policies. Ireland has long complained that its economy is harnessed to Britain's, "the slowest growing economy in Europe," and that such key instruments as interest rates had slavishly to follow the British pattern, just as the Irish pound sunk ever downward, tied to its ailing twin, sterling.

Breaking the link and joining EMS meant hitching the Irish pound, and economic wagon, to the continental EC countries, to Germany and the Netherlands, to the

strong-growth, low-inflation club. It might be tough at first, but worth it in the end.

NOT EVEN THE NORTHERN TROUBLES COULD CAST GLOOM over such a roseate prospect. True the violence was continuing, and no political movement was discernible. But there was Tip O'Neill, Daniel Moynihan, Governor Hugh Carey, Ted Kennedy et al, and behind them Jimmy Carter, all taking a benevolent interest in the Irish problem. All, it seemed in Dublin, having got the right end of



Stereo radio assembly in Shannon. © Paolo Koch, Photo Researchers, Inc.



Master engravers at the Waterford glass factory. © Porterfield-Chickering, Photo Researcher

Unloading curragh-transported goods at Inishmaan Island. © Eve Arnold, Magnum Photos, Inc.





Sheep farmers going to market. © Rommy Jaques, Photo Researchers, Inc.

Making tweed by hand. © Gordon Johnson, Photo Researchers, Inc.



the Irish stick, and all ready to nudge London into seeing things Dublin's way.

Lynch and his Government might have had only the vaguest idea on how to move forward on the Irish problem, but they were sure America was more or less behind them.

Ireland remained the poorest of the EC countries, and was not slow to point out that the disparities between rich and poor in Europe were widening, not narrowing, but the country was undeniably enjoying unprecedented prosperity. National self-confidence, if there is such a thing and it can be measured, was at something of a high.

A great deal of this had to do with EC membership. Economically, Ireland has done very well out of membership; the transfer of financial resources from Brussels to Dublin may not have narrowed the gap, but it has been considerable. In 1978 Ireland's net gain in crude terms—balancing EC grants and subsidies against Ireland's contribution to the Community budget—was more than 400 million pounds, or 16 per cent of the national budget.

The great bulk of this money came from the EC ag-



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IDA Ireland 
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The Irish government's industrial development agency has offices in New York, Tel (212) 972-1000; Chicago, Tel (312) 644-7474; Houston, Tel (713) 658-0055; Los Angeles, Tel (213) 624-1024. Overseas offices also in Toronto, Amsterdam, London, Paris, Cologne, Stuttgart, Copenhagen, Milan, Madrid, Tokyo and Sydney.



A multinational chemical company near Cork evidences Ireland's relatively recent but rapidly developing industrial base. © Paolo Koch, Photo Researchers, Inc.

gricultural fund, straight into Irish agriculture. In addition, that sector of the economy was benefiting from higher food prices paid by Irish consumers, so Irish farmers were better off than ever before.

Farming is still a bigger sector of the economy in Ireland than in any other EC member state. Twenty-three per cent of the work force is in agriculture, and farming provides about 18 per cent of the national income. But behind these statistics lies the fact that Ireland, outside Dublin, is farm country. Practically every city, town, or village is intimately connected with farming.

From 1973 on, Irish farm prices had been aligned upwards to EC levels over the five-year transition period, while at the same time the Community had been granting its own farmers handsome annual price increases. As a result Irish farm output was growing in value at rates of 20 per cent a year and over, and farm incomes were leaping upward.

All farmers benefited, though the largesse was unevenly spread. But the impact on rural Ireland was visible and dramatic. Prosperity shone out of new houses, from refurbished shops and pubs in small towns, and was reflected in the gleaming new cars that ran over Irish country roads.

This obvious well-being brought its own problems. Industrial workers grumbled that farmers were almost entirely outside the tax net, while they—the urban workers—carried the burden of “pay-as-you-earn” income tax. Indeed, fear that the coalition Government of Liam Cosgrove had plans to tax the farmers was seen as one of the key factors in the coalition defeat in 1977, and the sweeping Fianna Fail victory under Lynch. The farm-tax problem was to rear its head again later in 1979 and bite Lynch.

IN THE WEEK THAT IRELAND TOOK OVER THE EC PRESIDENCY, the Organization for Economic Cooperation and Development (OECD) was placing Ireland almost at the head of the Community's inflation league, with the annual rate turning at 15.5 per cent. The same day Dublin's authoritative Economic and Social Research Institute predicted inflation at year's end would be at least 13 per cent, and that growth in 1979 could be no more than 2 per cent, less than one-third of the Government's original projected figure.

The institute also predicted a balance of payments deficit at the end of 1979 of 500 million pounds: In other words, the country was living beyond its means to the

tune of 7 per cent of its gross national product—to paraphrase the Central Bank. Also in that month of bad news—July—the Central Bank came out with its updated report and forecast. Growth in 1979 might reach 3 per cent, it said, but it was gloomy indeed about the balance of payments deficit. This had reached a size where the situation could not be sustained, and it complained that Irish people had come to expect that living standards could continue to rise at a rate in excess of the productive capacity of the country.

In July, too, the Industrial Development Authority (IDA)—the state-sponsored agency for promoting industrial investment, particularly from overseas—offered some short-term good news and long-term bad in its annual report. New industries were coming in, it said, and the IDA was on line to achieve its target of 30,000 new job approvals in 1979, following a good performance in 1978. That does not, of course, mean 30,000 off the unemployment register, now standing at about 90,000 or 9 per cent; for job losses in existing industry, in agriculture, coupled with a growing work force meant just 7,000 more people at work. (The 30,000 “job approvals” refers to potential employment. In 1978 the IDA assisted projects that actually put 13,000 people in work. About half the new investment came from overseas, with the United States the principal source.)

But the IDA authority was not so cheerful about the future. Bad industrial relations in Ireland had begun to shake confidence among Irish and foreign investors. Difficulties in getting oil supplies, plus their rising cost, cast a cloud over the investment scene. The world economy was slowing down, and costs in Ireland—of wages, of building, and of land—were increasing too quickly.

And if all this was not bad enough, the Irish people had to endure the spectacle of their new independent Irish pound languishing behind as sterling soared. By July the Irish pound was down 10 per cent on its divorced spouse. It was holding up well enough inside the European Monetary System; but as one of the main points of entering the EMS had been to break the link with ailing sterling, this was hard to take.

Even harder to take was the fact that interest rates in Ireland were actually higher than those in Britain, not lower, as again had been generally assumed would be the case after the break.

How had all this come about? Part of the answer was, of course, events in Iran and the world oil crisis. But only Ireland among European nations actually found itself running out of oil. Supplying of oil for domestic central heating was banned by ministerial order, while one of the coldest winters on record was still in business, and there was panic when diesel oil for tractors threatened to run out at the height of the plowing season. Since then, motorists have had to survive on minimum supplies of

fuel—often queuing for hours to get it.

Meanwhile, the postal strike had started, not only causing disruption and inconvenience but also hitting hard at the economy. Industrialists could not send samples nor conduct normal correspondence. Those with telex had a lifeline; those located in areas outside Dublin and other main centers with no direct telephone dialing facilities were in trouble.

The tourist industry was in deep difficulties, and was then hit by the petrol famine. By mid-summer it was taken for granted that 1979 was a disaster year for Irish tourism, a sharp blow to the economy’s general performance. Petrol supplies steadied by mid-summer, as prices shot up, and heating oil supplies were permitted from August. But in July oil tanker drivers went on a “work to rule,” supported by oil jetty workers at Dublin port, and petrol was again obtainable only with the aid of infinite patience or subterfuge.

Another growth-depressing factor turned out to be agriculture. From a volume growth of more than 6 per cent in 1978, farm output in 1979 was being predicted as growing at no more than 1 per cent. The reason here had nothing to do with the Ayatollah; Irish farmers had been making rich profits on selling young cattle abroad, with the result that stocks in 1979 have had to be rebuilt, with a serious reduction in farm exports. And of course the era of massive annual increases in farm prices is over.

IT WAS EASY FOR THE SOBER CITIZEN IN DUBLIN TO BELIEVE the country was going to hell, and had already gone mad anyway. As usual, the pubs and very expensive

Dublin's O'Connell Street Bridge over the Liffey River. © Porterfield-Chickering, Photo Researchers, Inc.



restaurants were crowded, race meetings thronged with big-spenders, and Dublin's streets were even dirtier than ever because of an industrial dispute involving municipal workers.

Along the Liffey bulldozers were destroying Wood Quay, where the remains of a Viking settlement had been found during work on new civic offices. Massive public protests, Europe-wide concern, court action, and the wishes of the citizens of Dublin as reflected in the June City Council election all seemed powerless to prevent the destruction of one of the most valuable archaeological sites in Europe.

Meanwhile, trade unions, employers, and Government were agreeing to a "national understanding" that would give wage increases of up to 15 per cent a year—an understanding that the Government thought a bit generous, and one which the Central Bank bluntly described as inconsistent with improving real living standards and employment prospects.

So much for the golden era.

But not all is necessarily lost. The Irish economy has its problems, but it is vastly stronger than it was 20 years ago. The country has developed an industrial base, has stopped emigration; the substantial benefits to agriculture of EC membership are there to see; the country's trade and general economic dependence on Britain has lessened. Irish exporting has flourished, and even now the decline in the Irish pound against sterling is a godsend to exporters selling to Britain. And there has been a drive to recruit skilled workers in Britain for key industries in Ireland, bringing back Irish emigrants to help in industrial expansion at home.

Much, of course, depends on world economic conditions, and on oil. But it is becoming increasingly clear in Ireland that there are major factors in the situation that are under Irish control—not counting the possibility of striking oil in Irish waters. These center on industrial relations and levels of pay.

Already this year Ireland is right back at the top—or is it bottom?—of Europe's strike league. Prolonged stoppages like the postal dispute damage existing businesses—forcing some at least into bankruptcy and weakening credibility with customers. But they also cut away at the foundations of the drive to attract foreign investment for new industry. The IDA sells a package, based on profit. A German commented recently after listening to an IDA presentation, "Goodness, how refreshing in Europe to hear someone preaching the virtues of naked capitalism." Strikes hit profits.

Most strikes are related to pay, and one of the worrying factors in the Irish situation is the readiness of key workers to use the strike weapon—with or without official union backing—to support wage demands far in excess of any norms indicated by the general state of the econ-

omy. On the union side there is a general assumption that workers in jobs must get wage rises at or above the rate of inflation. This year that has resulted in a 15 per cent wage increase, at a time when output is growing perhaps 3 per cent. And nowhere in this calculation is provision made for the investment needed to create more jobs.

To see this as a case of greedy trade unions crucifying the country is to over-simplify. Certainly there is a scramble going on among competing groups—urban workers against farmers, skilled workers preserving differentials over unskilled, and so on, with the concentration on the immediate struggle, not the national interest.

But in industrial relations it is not all selfish workers against long-suffering employers. Some employers, including the Government, come out pretty badly from the industrial relations carnage.

Ironically, in view of the term coined by the Government for its national wage proposals, what is lacking is a genuine national understanding. This is ironic too, in view of the fact that Lynch's Fianna Fail was returned to power in the 1977 June election with a record majority.

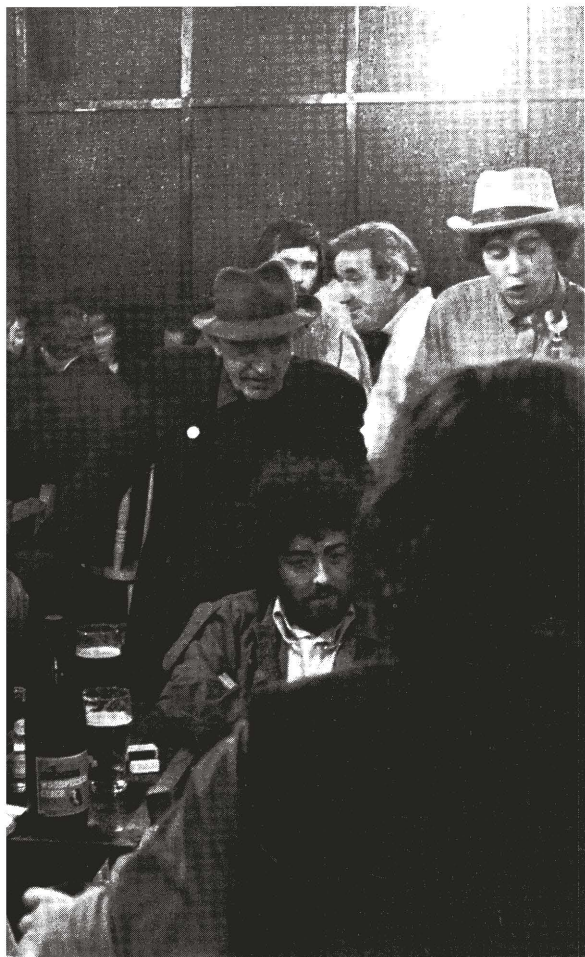
The two years since have seen a remarkable loss of authority by that Government, and by one of the most popular Prime Ministers in the history of the state, and all this despite the golden prospects at the end of 1978. Bad handling of industrial relations, particularly within the public service; failure to grapple with the oil supply situation; a misreading of public concern over the Wood Quay affair; a weak and unsure handling of the issue of farmer taxation—all these have combined to give the image of an immobile Government, one incapable of action, like recent images of the US Administration.

In the June 1979 elections for the European Parliament, the electorate turned sharply on their heroes of 1977 and returned only five Fianna Fail members out of the total of 15.

The question now is whether Lynch can reassert his authority, reshuffle his Government, and give the leadership that will help the country come to grips with those factors within its own control. There is also speculation that he may decide to step down and leave it to a successor to tackle that task.

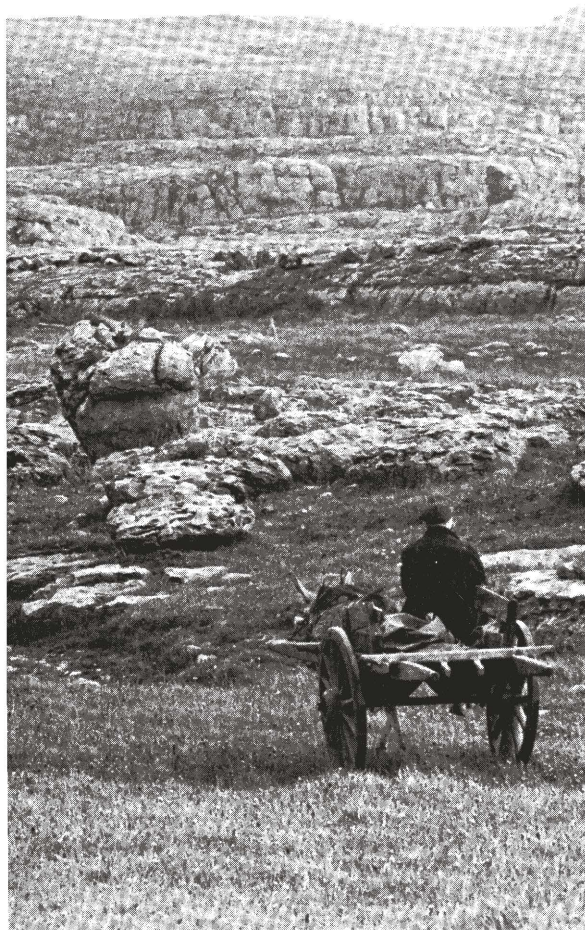
The EC Presidency gives a Government some kudos, particularly in the eyes of its own citizens, and Lynch will be out to make the most of this. He may also be hoping that the Papal visit will restore national morale, and above all else he will be looking for the miracle of oil in the Porcupine Bight, off Ireland's west coast.

Pending that, he will have to hope that the expensive "national understanding" will at least buy industrial peace, and that the shocks of the summer of 1979 will help sober up the nation and bring it back on the promising course it has been pursuing since it joined the European Community.



Pubs were perhaps even more crowded than usual during recent strikes. © Josef Koudelka, Magnum Photos, Inc.

Outside Dublin, every city, town, and village is intimately connected with farming. © Bob Krueger, Photo Researchers, Inc.



he English language brings out the best in the Irish. They court it like a beautiful woman. They make it bray with donkey laughter. They hurl it at the sky like a paintpot full of rainbows, and then make it chant a dirge for man's fate and man's follies that is as mournful as misty spring rain crying over the fallow earth. Rarely has a people paid the lavish compliment and taken the subtle revenge of turning its oppressor's speech into sorcery."

TIME

Senior Writer T. E. Kalem
in a review of *Borstal Boy*.

In appreciation of the Irish from those who share their love of language. TIME, The Weekly Newsmagazine

Scenes from a Marriage of Convenience

The United States and Western Europe in 1979

CHRISTOPHER J. MAKINS, a recent senior associate at the Carnegie Endowment for International Peace

NINETEEN-SEVENTY-NINE HAS BEEN A VINTAGE YEAR FOR international summits. Groups of leaders from the advanced industrial world have assembled successively in Guadeloupe, Strasbourg, and Tokyo in search of solutions to their common problems. But has it been an equally good year for their mutual relations? Certainly, many tablets of the finest intergovernmental prose and numerous *obiter dicta* by the summiteers and their bureaucratic sherpas have been revealed to the world. These lapidary pronouncements, as usual, combined some commendably specific agreements (e.g., on limiting oil imports at Strasbourg and Tokyo) with magisterially squared circles (e.g., the Tokyo summit communiqué's "pledge . . . to increase . . . coal use without damage to the environment") and other tricks of the communiqué drafter's trade. But neither these documents nor their authors have conveyed much feel for the shifting international relationships which the summits were convened to manage.

One conclusion, however, becomes increasingly sharply etched in the fog of words: In two crucial senses salvation from our present ills begins not on the moun-

taintop but, with charity, at home. Not only does it involve deferral, and probably also compromise, of some of the goals of the advanced industrial societies, but it also requires a painful rethinking of the self-images with which the countries of the Atlantic world have been living for most of the postwar period and adjustment to new roles and relationships.

The domestic dimensions of managing international economic problems are increasingly clearly perceived, even if they still defy easy political resolution. In trade policy, the Atlantic countries have shown considerable resolve in completing the multilateral trade negotiations (MTN) and upholding the Organization for Economic Cooperation and Development (OECD) "trade pledge" against steady domestic pressures for protection, even if some uncertainty remains as to how much benefit the post/MTN trade regime will bring. On energy, too, slow progress toward domestic policies responsive to the world's oil problem has been recorded. But as Erich Hauser recently put it graphically in the *Frankfurter Rundschau*: ". . . crucial changes in the way of life have been neglected. . . . For wage and salary earners . . . on

German Chancellor Helmut Schmidt (left front), British Prime Minister Margaret Thatcher, French President Valéry Giscard d'Estaing, Danish Prime Minister Anker Jørgensen (left back), and former Luxembourg Prime Minister Gaston Thorn—in Strasbourg during the European Council meeting last June.



both sides of the Atlantic, gas guzzling at will is both an achievement of civilization and a means of escaping from it." More importantly, hesitation about whether to grasp the nuclear nettle, both in Europe and in the United States, shows how far these societies still are from deciding how to resolve the challenges to their goals and values implicit in their current energy problems. Likewise with the apparent preference of most of the advanced industrial societies for paying the high price of inflation rather than confronting directly the distributional conflicts and problems which inflation masks.

The difficulties nations have in adjusting their self-images and international behavior to shifts in the balance of international political and economic power are less widely recognized. But the harmful consequences for the management of international relationships of a failure to make such adjustments are nonetheless serious.

The United States is a crucial case in point. The roots of the current SALT II ratification debate, for example, are deeply embedded in anxieties and frustrations about changes in the US position in the world. Many of these changes have little or nothing to do with the growth of Soviet power and were both foreseeable and inevitable. Yet they have proved hard to digest. In the aftermath of Vietnam, jingoistic episodes like the bombing of the *Mayaguez* were to be expected. But the widespread readiness to see signs of Soviet interference and a test of US will in almost any regime change or independence struggle in the developing world is less easily understood. The Carter Administration has, in deed if not always in word, generally been rather balanced in this respect. But it has failed to inspire widespread recognition of its wisdom. Passionate US internal disputes on such subjects are inevitably of concern to those, like the West Europeans, who have a special interest in a broad and realistic American consensus on a US strategy adapted to an age of US-Soviet nuclear parity and an irreversible diffusion of international influence. The need for some dispassionate and creative thinking to lay the basis for such a consensus is pressing.

In its relationship with the European Community, the United States has experienced a similar problem of adaptation. US ambivalence about the Community's development—combining strong support in principle and considerable hesitation about its tangible consequences—has been persistent. Most recently, faced at the Tokyo summit with the agreed European position on limiting Community oil imports worked out at the Strasbourg meeting of the European Council on June 21-22, the United States reacted with some petulance and less logic in insisting that the European countries represented in Tokyo adopt national ceilings as well as a Community one and recommend this approach to their partners. The contrast with the general US view of Euro-

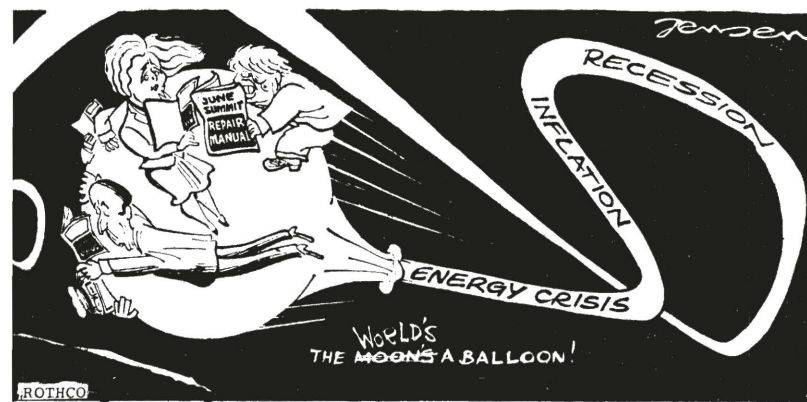


President Jimmy Carter (left); EC Commission Vice President Wilhelm Haferkamp, in charge of external relations; then US Special Trade Representative Bob Strauss; and Sir Roy Denman, Director-General for EC external relations, meeting in Washington to discuss the multilateral trade negotiations. by Jack Kightlinger, The White House

pean integration was striking; for only two weeks after the Tokyo summit a senior State Department official testified before Congress that: "US support for the progress of European integration remains strong . . . we believe that European unity must be achieved by the Europeans themselves." But when the Europeans themselves chose a means of working toward closer integration in the energy field, the United States was quick to insist that they expose themselves to judgment individually as well as collectively.

By contrast, in the international monetary area, the United States has started to come to terms with the changed position of the dollar in the international economy by accepting the European Monetary System (EMS) after more or less hostile initial skepticism and by at last acceding to a study of the proposed International Monetary Fund (IMF) dollar substitution account. And even over oil, there seems a reasonable chance that, despite continued rumblings from those in the United States who would like to "break OPEC," the United States will before long accept the need for a constructive dialogue, on terms to which all can agree, between oil consumers and producers about managing the world's transition away from oil.

IN WESTERN EUROPE, TOO, ADJUSTMENT TO NEW realities is proving painful. The security field is again the most sensitive. Long dependent on the United States for their defense, West Europeans have only slowly accepted that their revived economic strength and political self-confidence will require them to assume greater posi-



tive responsibility for defense policies and programs, as opposed to the negative role of critics of American proposals that they have often adopted in recent years. The senior West European official recently quoted as agreeing that Europeans use double standards in attacking the United States for failure of will and leadership on issues on which they show no inclination to display either themselves hit the nail on the head. But from recognizing the problem to acting on it is a long step. The issue of negotiations on European theater nuclear forces (TNF) is a case in point. The reasons for which West Europeans would want to be directly involved in any such negotiations, which are likely to affect their interests even more strongly than those of the United States, are legion. Yet short-term expediency prompts them to favor a bilateral US-Soviet TNF negotiation in SALT III at the risk of longer-term alliance tensions.

The West Europeans have also found it hard to adjust their images of the Community itself to changing times. Speaking at the ceremonial opening of the first elected European Assembly in July, EC Commission President Roy Jenkins emphasized the need to maintain a vision and a commitment to progress toward European unity. "That vision . . . matters far more than rather sterile blueprints about the exact form of political organization at which we shall ultimately arrive. It will not . . . be something which can be found in the traditional textbooks of political science."

The European Assembly itself certainly fits well into the nebulous concept of a "vision without a blueprint." It was originally conceived as a parliamentary dimension of a federal Europe with powers to oversee the Community's executive organs, notably the Commission. It has a less obvious role in a Community increasingly headed toward more traditional intergovernmental cooperation in which democratic control is necessarily performed by national parliaments. The enlargement of the Community, which has been handled with commendable pragmatism in its economic dimension, will only further aggravate this and other institutional problems which have hitherto been relegated to a back seat.

Efforts, such as the Tindemans Report, to suggest ways of handling these problems have scarcely prospered, and the product of the "Three Wise Men" now studying the institutional consequences of enlargement could easily suffer a similar fate. In short, a "vision without a blueprint" may well provide too blurred an outline for governments faced with the need for difficult political decisions about further European integration. Political science textbooks are doubtless not the places to turn for answers. But some rather resolute applied political skills will be required to devise specific strategies for promoting common, rather than national, solutions to future problems. The need, to which Jenkins recently pointed, for Community-wide research and development and procurement policies in high-technology goods and services is a case in point.

The adjustment has again been easier for West Europeans in the international economic realm. The decision to develop and introduce the EMS showed a maturing of European political and economic leadership that was the more welcome for being sudden and unexpected. A recent high-level conference on the EMS saw a remarkable reversal of roles between Europeans and Americans. The official European representatives played the parts of imaginative, but prudent, innovators normally taken in the postwar period by Americans, while the US participants were as skeptical and timid in evaluating the EMS as Europeans have so often been about US proposals for Western policy. Something of the same reversal of roles has been seen in recent years on North/South issues and the question of a producer-consumer dialogue on oil.

That such adjustments, psychological and practical, are difficult should come as no surprise. Peoples, like persons, are in some degree the prisoners of their illusions and their habits. But the consequences of failure to adjust have been and will be debilitating both domestically and within the Atlantic relationship. For example, it is hardly conducive to the emergence of a more constructive international order that charges of appeasement should be leveled against those who seek to accommodate unavoidable shifts in world balances of power—such as the newly influential position of OPEC. Likewise, allegations, especially in the United States, about "self-Finlandization" in Western Europe have little place in responsible debate about how best to promote longer-term security in Western Europe. Can the structure of closer Western cooperation, of which the summit meetings are the apex, facilitate a frank confrontation of such problems rather than merely prolonging old illusions and masking the need for changes in domestic attitudes? The record of recent summits is mixed. But the adaptive capacity of the Western alliance remains considerable. Even in the most disputatious and divided households, reality often finds a way of asserting itself in the end.

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EC Health Insurance

What Americans can learn from Europe

JEROME F. BRAZDA, *Washington-based editor of McGraw-Hill medical and health publications*

THE AMERICAN MEDICAL ASSOCIATION (AMA) HAS, DURING the past several years, sponsored tours of the British health care system and has also brought several British physicians and health care administrators to the United States. The apparent intent is to stimulate opposition to such plans as those being advocated by President Jimmy Carter and Senator Edward M. Kennedy. But these exchanges and other inquiries into European systems by US officials have more often than not tended to result in the impression that health plans are working, that even the often troubled British system is generally accepted by the populace.

Joseph Califano, former Secretary of the Department of Health, Education, and Welfare (HEW), embarked early in his administration on an extended tour of the health systems of Canada, Britain, Germany, and Italy, as he began presiding over the design of a national health insurance (NHI) plan promised by Carter during the campaign. Califano returned largely impressed by what he had seen in terms of organization, of services being delivered, and of patient satisfaction.

Ironically, as Califano began to work with department experts on the shape of a NHI plan to be sent to the Congress, White House concern with rising health care costs slowed down the effort to fulfill Carter's campaign promise. Then Senator Kennedy and his organized-labor backers began to use the lack of activity as a political weapon with which to beat on the President. The AFL-CIO and other labor organizations long have strongly advocated enactment of a national health plan, both as a social goal and as a means of reducing the share health insurance premiums have in labor contract settlements.

President Carter and the Kennedy/labor group advanced rival national health plans, the President's less ambitious than the other. But activity so far has been confined to the the Senate Finance Committee, chaired by Louisiana Democrat Russell Long, who has been trying to get at least a rudimentary health plan to the Senate floor. Long's basic goal is a so-called catastrophic health insurance plan for individuals and families with major medical expenses. Neither his plan nor those of Carter

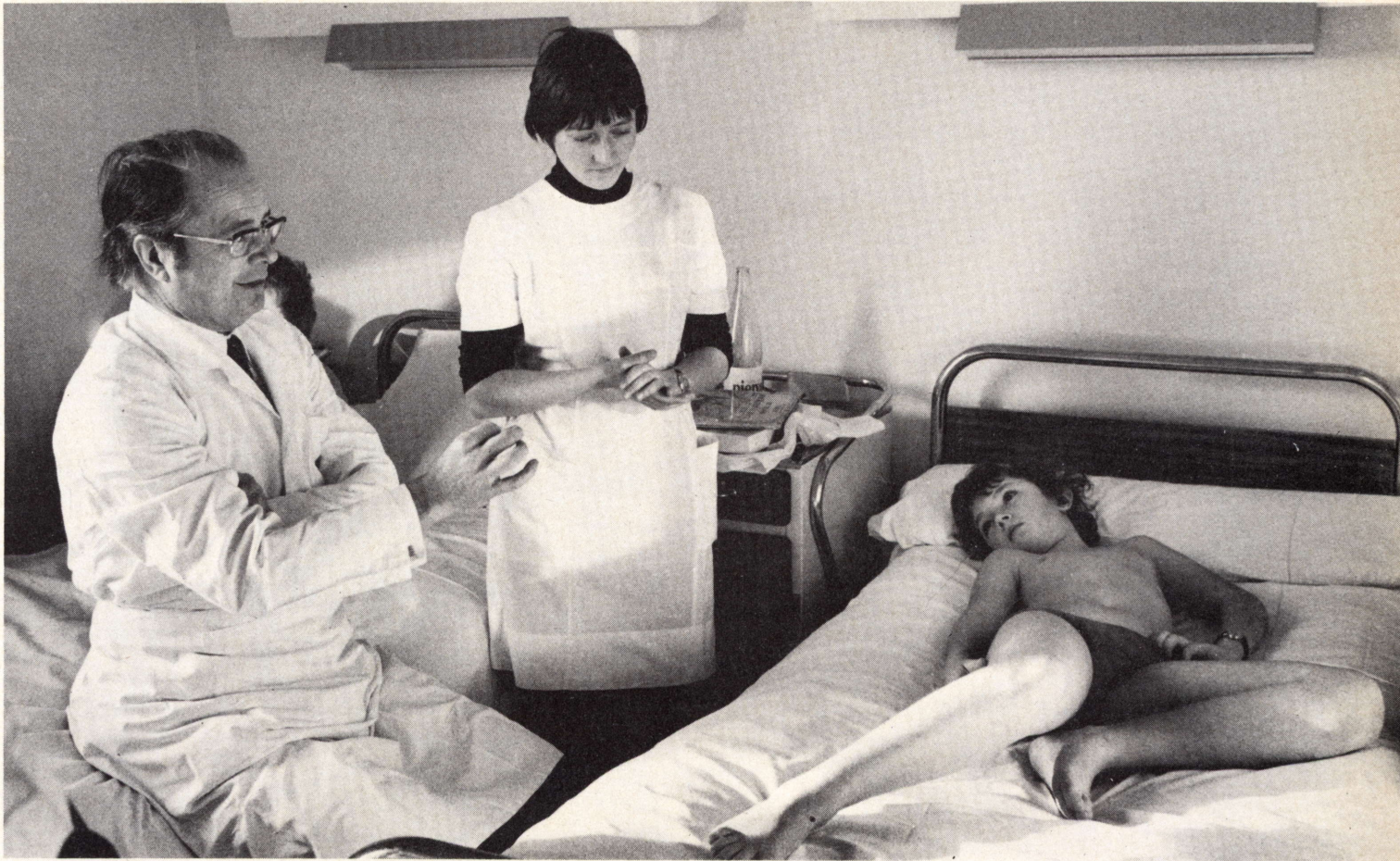
and Kennedy approach the scope of most health insurance systems already operating in Europe.

Perhaps the best known is the British National Health Service (NHS), established by the Labour Government in 1948 and reorganized in 1973, although government health insurance first was introduced to Britain in 1912. Financed 80 per cent from general taxation—the rest by a system of fees and cost-sharing—the service provides entirely free medical and hospital services plus 50 per cent of dental costs with the patient paying up to a maximum. There is no limit on the duration of benefits.

Hospital physicians are paid on a salary basis while general practitioners are reimbursed directly through the NHS on a capitation system. Dentists are paid on a fee-

National Health Service in Great Britain provides entirely free medical and hospital services, including therapy for a child's serious leg injuries.





French national health insurance covers a broad range of benefits for sickness and hospitalization. ©Jean Gaumy, Magnum Photos, Inc.

for-service basis. The rate of payment for physicians has been one of the most controversial elements of the British system—patient waiting lines and the physical condition of facilities being others. Periodic financing problems, related to the prevailing condition of the British economy, tend to spawn reports that the system is in political trouble. But it continues to operate, providing services with no evidence of a serious movement even toward reducing benefits. Attempts to expand private health insurance plans and private use of hospital beds in public hospitals have for the most part involved more talk than action. There appears to be some substance to complaints about long waits for elective therapy or surgery, although chronic or emergency cases generally are dealt with in sufficient time. The resultant discouragement of unnecessary elective procedures has been noted with interest by US health planners.

Germany has had a government health insurance program since 1883, when Otto von Bismarck began a system essentially to cover the low-income industrial worker and his family. Over the years the German health insurance system has grown to cover virtually the entire population—about 8.5 per cent under private health insurance and the rest by GKV, the government's social health insurance program. Insurance is provided by fed-

erally regulated insurance organizations in conjunction with regional health insurance doctors' associations. Coverage is voluntary for individuals earning more than about \$10,000 a year, and there are no major work or eligibility requirements.

Unlike the British system, the German social health insurance system is not a single, federally administered fund but more than 1,800 funds organized by region, trade, employer, or other criteria. Benefits are broad with virtually no limits. Patients may choose their own doctor for ambulatory care but do not have the choice of physician in hospitals. The system is financed through joint employer-employee payroll taxes. Physicians are reimbursed through regional insurance associations that are free to disburse funds to providers on either a fee-for-service or capitation basis. Payment is effected by vouchers turned over by patients to physicians who in turn submit them to the regional association for payment. Few hospitals in Germany have outpatient clinics, and physicians working in the hospitals are salaried. About 90 per cent of all German hospital beds are public or nonprofit.

AN HEW MEMORANDUM CONCLUDED THAT THE GERMAN health care delivery system "more closely approximates the American system than any other European country"

with the similarities including fee-for-service reimbursement, diverse insurance groups, and peer review of physician practices. Major problems observed by the HEW people were absence of patient cost-sharing, which the US experts feel contributes to overutilization, and the general absence of provider incentives to hold down costs. Comparisons of medical prices in Germany and the United States over the past 10 years show a striking parallel in inflation rates.

Sweden has a long tradition of public health care that has produced a national health insurance system under which membership is compulsory for all citizens. Financing is through insurance payments by the central government, with physicians reimbursed through a "sickness insurance fund." Most of the funds for financing health care are collected through local income taxes imposed by the counties. Patient cost-sharing is an important part of the reimbursement mechanism, and the employed also pay, through payroll deductions, a premium for national health insurance. The employer is charged a slightly larger premium with the government paying the rest from general revenues.

All hospital inpatient care in Sweden is provided by salaried hospital physicians, and a large part of ambulatory care is also provided by salaried physicians at publicly financed district medical offices. Sweden's health care system is highly decentralized, with many of the policy decisions being made by county health authorities. Patients cannot make an appointment with a particular doctor at a hospital but may choose a general practitioner or a specialist outside the hospital setting. Private practice is not permitted in hospitals.

In France national health insurance is administered through a network of "sickness funds" supervised by the Ministry of Public Health and Social Security—a system that covers virtually all of the population. Put into effect in the early 1930's, the French health insurance system has been broadened in several steps since then. A variety of special insurance "schemes" comprise the French system. The so-called General Scheme (*Régime Général*) covers about 75 per cent of the population. Others are the Agricultural Scheme, a scheme for nonsalaried workers, and a number of special schemes involving various occupational groups, such as miners and seamen.

Financed by an employer-employee payroll tax, the General Scheme includes a network of 122 primary sickness funds that are supervised by regional funds. At the national level the regional funds are coordinated into a national sickness insurance fund. The benefit package is very broad, including even transportation costs in some cases. Physicians and dentists in private practice work on a fee-for-service basis, but doctors in public hospitals practice on a salaried basis. Patients receiving ambulatory care pay the provider directly and then are reim-



A variety of special insurance "schemes" comprise the French system, including arrangements for occupational groups such as miners and seamen. © Jean Gaumy, Magnum Photos, Inc.

bursed by the insurance fund—often subject to coinsurance payments. Cost-sharing by patients runs from 20 per cent to 30 per cent depending on the severity of the illness.

Italy has a social insurance system that covers most of the population under a patchwork of plans that include private sector employees, pensioners, and the unemployed—with benefits ranging up to the full cost of medical care. The dominant plan is the National Institute for Insurance Against Illness (INAM), which is a central administration handling payment of hospitals, physicians, and drug manufacturers. Physicians have been free to do private practice, but this is increasingly being discouraged and has been very expensive. INAM makes agreements with hospitals but does not manage them. Financing of the sickness funds is through employer-employee contributions, with employers making by far the larger payments.

The Netherlands has had a national health plan since the late Nineteenth Century—advancing coverage in stages, with compulsory membership in sickness funds for certain population groups having been introduced in 1941. In 1966 the Incapacity Insurance Act was passed to provide long-term cash benefits. The next year the General Special Sickness Expense Act provided universal coverage for serious long-term illnesses, including nursing homes and mental hospitals. The Dutch health insurance system includes four separate laws with what is generally referred to as "government-sponsored insurance" being distinct from private insurance coverage for

the 30 per cent or so of the population not qualifying under the government plans.

Norway has a system of public health service programs considered by experts to be among the most comprehensive and best organized in the world. A high level of services is delivered, particularly considering the geographic barriers that isolate so much of the country's population. Health insurance is provided through a single, federally administered fund with service delivery primarily provided through government-owned and administered hospitals, clinics, and health centers. The Norwegian system works through local governmental bodies and the national physicians' association. Physicians' services are subject to a flexible copayment. All hospital care is free whether the hospital is publicly or privately owned.

Denmark's centralized health care system is controlled by the Ministries of Interior and Social Welfare but administered by county health authorities. The Danish system is similar to that of Sweden. It is financed out of general tax revenues with all citizens covered for unlimited benefits. Coverage is divided into two categories based mainly on income levels. Payment for services is made directly on behalf of those in the first category, while those in the second, higher-income category must claim refunds.

Belgium's sickness insurance system became effective in 1945, providing compulsory coverage for all salaried workers. Financed by employer-employee contributions,

the plan pays full costs for treatment in public hospital wards and up to 85 per cent of treatment in private institutions. There is patient cost-sharing for general practitioner ambulatory care and dental care. Physicians are paid either directly or indirectly on the basis of fee-for-service. Benefits are unrestricted and the patient has free choice of general practitioner and hospitals. The size of fees is agreed upon between the sickness fund and physician organizations.

Most of Europe's government health insurance plans are working, a fact not lost on US health planners and labor leaders who have been agitating for a national health program for years. Differences in the existing health care structure in the United States and those in Europe make extrapolation of data from the Continent to the United States difficult. But national health insurance of a sort was begun in the United States in 1965, when Congress enacted Medicare for the aged and Medicaid for the poor—both entitlement programs that laid the groundwork for such additional building blocks as the catastrophic insurance plan that Senator Long is advocating.

The enormous wealth of the United States notwithstanding, large numbers of the population are unable to get fully adequate care or, in some cases, any care at all. It is the view of modern health care political observers that the United States is moving toward a total national health plan, and what is resulting, piece by piece, is similar to many of the features of European health plans.

"Harmonizing Health. . ."

For the most part, European national health plans remain just that—national plans. The Community has made no attempt to harmonize health insurance throughout the Nine.

EC regulations do, however, assure health care for member state citizens who are living or traveling in another EC country. Provided they are insured through their own national health plan, Community citizens are entitled to receive emergency medical care in accordance with the system of the country they are visiting. A form certifying their right to sickness insurance benefits may be obtained from their own insurance organization, which must then be honored by insurance organizations in other EC member states.

The Community is also taking the first steps toward a common health policy, although the Rome Treaty makes no explicit reference to health as a Community concern and current budgetary means are modest. The nine health ministers met in December 1977 for the first time since the Community was founded and

again in November 1978. Both meetings served primarily as information-swapping sessions rather than decision-taking Councils. Yet, as EC Commission Vice President Henk Vredeling said following the second ministerial exchange: "The Council answered 'yes' to the question of whether it feels that public health should be covered by a Community policy."

Discussions centered on studies prepared by the EC Commission concerning the rising costs of health care, particularly of hospitalization and pharmaceuticals, European smoking habits, nutrition education, the abuse of drugs in sport, and immunization issues. At the 1978 meeting, health ministers requested the Commission to continue its studies on drug abuse and to put forward its ideas concerning: the consumption and marketing of pharmaceuticals, supply and demand for medical personnel, and the harmonization of health-related data in order to draw accurate comparisons. In addition, the

ministers agreed to exchange information on nutrition research and educational programs and to collaborate on their anti-smoking campaigns as well as develop a common approach to tobacco advertising.

The European Parliament is also taking initiative in the health care field. Parliament has been pressing for a major policy change that would help overcome the shortage of human organs needed for transplants. Instead of the predominant practice forbidding the removal of organs without the donor's prior consent, Parliament is calling for a Community-wide "no opposition" formula whereby organs could be removed if the deceased had not expressly opposed it. The proposal also includes a computerized central organ register, mobile medical teams to remove organs, and closer coordination between organ banks.

Other Community actions related to Europe's health include the achievement of free establishment for nurses and doctors within the Community, regulation of food additives, packaging, and cosmetic substances, and an EUA 2.7 million program to coordinate medical research at the national level. —*Marcia Miller, staff*

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around THE capitals

Paris

Radio in France is turning out to be the most creative, even provocative, of the press media. Three of the four main stations are semi-independent, and, unlike the state-controlled television channels and most of the major dailies, they have no ideological ax to grind. Furthermore, since they are largely dependent on ads for revenues, they are obliged to keep in close touch with listener interests.

The clear leader in the intense competition for listeners at prime news time is the station Europe Number One, and one reason for the network's success is its star commentator, Guy Thomas, whose subject matter is hardly news. Six mornings a week at 7:15, Thomas, in dry clinical tones, describes a case in which an average French citizen is the victim of bureaucratic inanity or injustice. Thomas has become an ombudsman representing the French public against *l'administration* which, in its arrogant arbitrariness, is probably second to none in Western Europe. Governments of right or left can come and go, but *l'administration* remains the real power in French daily lives. The appeal of the three-to-four-minute slot has proved sure-fire.

Thomas thinks one reason for Europe Number One's success, and his own program's popularity, is that the station has correctly read the change in French audiences. "The public's interest in ideology is dead," he says. His program lets dramatic examples stand on their own evidence and is part of a trend toward greater objectivity in radio. The French obviously like it. Europe Number One's audience is growing, and Thomas's own listeners have jumped some 25 per cent in the past year.

Thomas finds his material in the 900 or so letters he receives each month, and his carefully researched stories brush just about as close to criticism of the Government, its ministers, and ministries as ever happens without reprisals on radio and television in France. His knuckles have been rapped in the past, first by de Gaulle and then by Giscard's Government, which found his edi-

torials on prime time television too pointed. Most recently he reported on the arbitrary closing of a pilot project school which had left its students floundering in limbo outside the educational mainstream. The education minister was so incensed that he denounced the press in general and Thomas in particular at the weekly cabinet meeting presided over by President Giscard d'Estaing.



"I'm still doing an in depth study." © E.A. Harris, Canada

Since then, the pressure seems to be off. Thomas explains, "I've made presentations more *nuancé*." There are other reasons. His popularity has become a protection in itself, and anything more than a reprimand would tarnish the more liberal image Giscard wants to create. Then, too, the French President's current political invulnerability means he can afford to be less sensitive to criticism. Thomas provides another less complex explanation. "My slot time has changed," he says, "from 8:45 to 7:15. Before, the ministers heard me directly. Now, at 7:15, they're still asleep."

Sharing his popularity on the station is Roger Gicquel, a television anchorman whose subject matter on his program—"And If We Talked a Bit About You?"—is wide-ranging but essentially the same sort of nonideological treatment of the injustices that happen to everyday people. Both men are, however, interested in more than ratings. Gicquel wants a radio outlet to talk

about things that would be frowned on by the state television. Thomas wants his program to sensitize the bureaucracy and limit its abuse of power. His exposés have led to a number of reversals of unjust administrative decisions and even some proposals for changes in laws.

Thomas believes the new radio format has already had its influence on the printed press. The straight news story, based on facts and investigation, is a staple of the Socialist daily, *Le Matin*, which despite its political bent, is the closest thing to a good US paper in France. Even the prestigious *Le Monde* is giving more space to clearly written features based on case histories and tied to news events. But, says Thomas, taking the ideology out of reporting is not for tomorrow. Meanwhile, the written press in France continues to lose readership, and radio may have discovered one of the reasons why.

—PATRICIA H. PAINTON

London

Britain's Parliament has once again said nay to the noose despite indications many people favor the return of capital punishment. Prime Minister Margaret Thatcher promised that a priority of the new Conservative Government would be another review of hanging, the third in the last five years. Capital punishment for all crimes save treason was abolished in mainland Britain 14 years ago. Northern Ireland was included in 1972. The country's last hangings were in 1964.

In a free vote, members of Parliament (MP's) balloting according to their consciences rather than party line, Parliament produced a 119 vote majority against restoration. There was a majority of 102 when hanging was abolished in 1965. A restoration move in 1974 lost by 157 votes, and another in 1975, by 129. A survey conducted in London after the latest vote showed four out of five Britons wanted the death penalty reinstated for some forms of murder, particularly terrorist activities involving killings. They gave as their chief reasons the deterrent to others and community safeguards.

It had been thought that the 84 new Conservative parliamentarians had moved the party well to the right on capital punishment. But although Thatcher voted in favor of the rope, her Home Secretary, William Whitelaw, and the majority of her cabinet stood against it. Whitelaw, the man who would decide if an execution should proceed, argued in the debate before the vote that the death penalty would be no deterrent to terrorism and could lead to violent repris-

als on hostages. He also mentioned a technical problem: Hanging was a skilled operation, and Britain has no more hangmen.

The vote was against a background of almost 50 murders and political assassinations in Northern Ireland thus far this year. Crimes of homicide in Britain jumped 21 per cent last year over 1977. MP Eldon Griffiths, the parliamentary spokesman for Britain's 105,000 rank-and-file policemen, appealed for harder attitudes to terrorists and professional assassins. The loss of capital punishment, Griffiths said, had shifted the odds against the police and in favor of the gunmen.

Since the Tories have a comfortable majority in Parliament, the capital punishment issue is unlikely to come up seriously again for another four or five years—after the next general election. With this reality before it, the Police Federation says it will press the Government to change the existing law so life in prison means just that. Now, the federation argues, a life sentence means about 10 years behind bars. It wants real life sentences for terrorist killings; murders committed during crimes, especially in which guns are used; the killing of policemen, prison officers, and members of the public who go to their aid; as well as people previously convicted of murder. The federation also opposes plea bargaining and wants it scrapped.



"I've noticed that those who are against compulsory seat belts are invariably for the death penalty."

© Langdon, Punch, London

If the scaffold remains banished, the chopping block is well and truly out. Parliament recessed for the summer after taking its ax to government spending, nationalized industries, and state-supported commissions which the Conservatives deem are hindering economic resurgence. Although it cut income taxes, Thatcher's Government hiked sales taxes to an all-around 15 per cent—nearly doubling them on nonluxury goods and services. That value-added tax (VAT) shock and the general speed with which the

Tories have been unpinning the old Labor Government's socialist enterprises have been unsettling. A recent poll showed the ruling party's popularity hold on the voters had dipped from 7 per cent ahead of Labour to 5 percent behind it.

The "Plain English Campaign" was launched this summer by shredding examples of official gobbledygook in Parliament Square. Its founders want the bureaucrats to keep their language short and simple.

The ancient Somerset city of Bath was for centuries one of the most fashionable spas in Europe. Withdrawal of government funds forced the spa to close in 1976, but locals are fighting to reopen it. They want to make Bath a treatment center for arthritics, who would benefit from the warmth of the 250,000 gallons of mineral water spurting daily from natural springs at 48 degrees centigrade.

London's theatrical profession took to the capital's streets to protest the application of the 15 per cent VAT to theater tickets. Newspapers, books, and magazines are exempt, and Sir Ralph Richardson found it silly that Shakespeare is VAT-free when read, taxed when performed.

—PETER J. SHAW

Luxembourg

It was difficult to be in Luxembourg for any length of time this summer and not find oneself drawn into a discussion about Gaston Thorn's next move. The Government changed in June, and after the elections the new Prime Minister is the respected Christian Democrat leader Pierre Werner. Although Thorn's Liberals increased their popular vote and their number of seats in the house, his Socialist coalition partners lost heavily. So the Christian Democrats took over the driver's seat, and Thorn was compelled to exchange his prime ministership for a job as foreign minister.

That was setback number one for Thorn. The second came a month later when the Liberal group in the European Parliament selected Simone Veil from France over him as their candidate for President of the Parliament. She got the big job, as Thorn probably would have too as the Liberal nominee. That left him with two out of his presumed four original choices: the secretary-generalship of NATO and the presidency of the EC commission.

NATO is in fact improbable. There are strong political reasons why the major Western defense powers might want the job to go to someone from a small country. But Luxembourg, with an army of some 600



Former Luxembourg Prime Minister Gaston Thorn.

men, is not a name calculated to strike terror into the heart of the Warsaw Pact, and it will be frankly remarkable if Thorn is picked.

His chances are a bit better, however, where the EC Commission is concerned. He has three things going for him. The first is that it is the turn of a small country to furnish a president. The second, Luxembourg is the only one of the original six founder members never to have provided one.

But by far the most compelling of Thorn's credentials is his experience. He has done 10 years as a member of the European Parliament, five years as his country's leader. He is the only man to have served as president (not an elected office) of the EC Council of Ministers for three terms. He has become one of those international European figures whom journalists reflexively turn to for a quote after a happening. One could hardly turn on a television set in Strasbourg in July without seeing his small, constantly animated frame engaged in earnest debate over this or that European issue—in French, German, English, and perhaps many other languages as well. Indeed, some people seem rather surprised that Thorn hasn't already been Commission President.

The job will fall vacant in 18 months' time when Roy Jenkins steps down. Thorn is not the only one to want it, and the favorite in fact is EC Agricultural Commissioner Vice President Finn Olav Gundelach, of Denmark. But the Irish are also interested and could put up some attractive candidates. Some fierce lobbying can be anticipated next year.

Meanwhile, there is little to tell Luxembourg's citizens that life will change much, if at all, under the new Christian Democrat-Liberal coalition Government. Werner has striking European credentials himself, and in any case Thorn is still there at the foreign ministry. Observers expect a somewhat

more charitable attitude toward nuclear power from the new Government now that the Socialists are out. But no fundamental shifts in economic or social policy are anticipated and certainly no easing up of the previous Government's tenacious efforts to maintain Luxembourg as a seat of the European Parliament.—ALAN OSBORN

Bonn

The 1980 federal elections in Germany are one year off, but by all indications they could prove to be the most heatedly contested in the country's postwar history. The opposition Christian Democratic Union and its smaller Bavarian sister party, the Christian Social Union, together nominated in July the burly and often brash Bavarian conservative, Franz Josef Strauss, to face the equally hard-nosed incumbent Chancellor Helmut Schmidt.

The Christian Democrats hope Strauss will ride to victory on what they see as a conservative wave now beginning to crest in Germany and the rest of Europe—testified to by the recent Christian Democratic success in Germany's elections to the European Parliament and by the electoral victory of Margaret Thatcher's Conservatives in Britain.

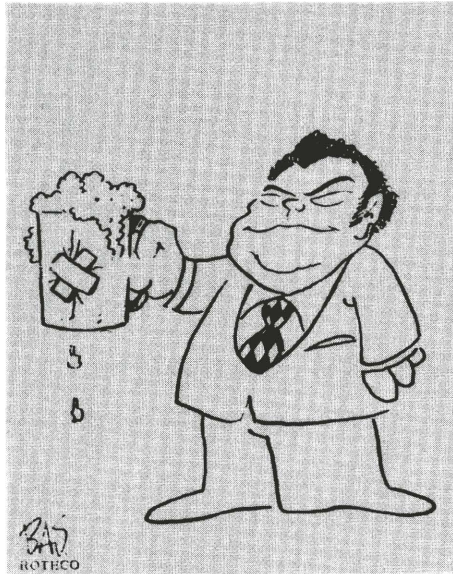
To be sure, the nomination of Strauss was a victory of the conservative over the moderate wing of the Christian Democrats, whose moderates had nominated the younger and less experienced Minister President (governor) of Lower Saxony, Ernst Albrecht, as their candidate. Both groups within the opposition now face the difficult task of hammering out a common program for the coming election—a program Strauss says will have to bear his signature.

Strauss is an experienced and talented political leader who served as cabinet minister in four postwar German governments and has been minister of his native Bavaria since last year. He built up his conservative image partly by his decisive policies as defense minister under former Chancellor Konrad Adenauer in the Fifties and Sixties, and partly by his staunch opposition to the *Ostpolitik* of relaxed relations with Eastern Europe initiated by former Chancellor Willy Brandt. Domestically, Strauss has been a proponent of a hard line in the fight against terrorism and in efforts to screen political extremists from public jobs.

Recent opinion polls give Chancellor Schmidt a clear lead over his newly chosen challenger. Voters generally give the present Government high marks for its social and economic policies. Inflation has been kept

below 4 per cent, and unemployment dropped in recent months to below the symbolic 1 million point. Nevertheless, the recent OPEC oil price increase could adversely affect the German economy in the coming year, and strong opposition to nuclear power in the ranks of Schmidt's own Social Democratic Party will not make it easy for him to put through his solution to the energy problem and may even bring him into open conflict with some factions of his party before the elections.

A lot will depend on how well Strauss can moderate his conservative image—an effort he began in several speeches and public



"Strauss." © Bas, Tachydromos, Greece

statements almost immediately after his nomination. Should he succeed, however, his social and economic programs may turn out to be indistinguishable from the middle-of-the-road policies of the present Government— forfeiting for the Christian Democrats the advantage of their boasted clear alternative.

In the meantime, the governing Social Democrats and Free Democrats are trying not to underestimate their opponent. The Christian Democrats barely missed gaining the absolute majority in the 1976 elections, and the forceful leadership of Strauss could give them the élan they need to achieve that goal next year. Initial elation among the governing parties that the nomination of a conservative might lead moderate Christian Democrats to switch their allegiance at the polls in 1980 has been replaced by greater sobriety. Party leaders are now warning their followers against painting Strauss as a demon and relying on the effect of his conservative image, and are urging them to make efforts to pin him down on the issues.—JOHN TAGLIABUE

Copenhagen

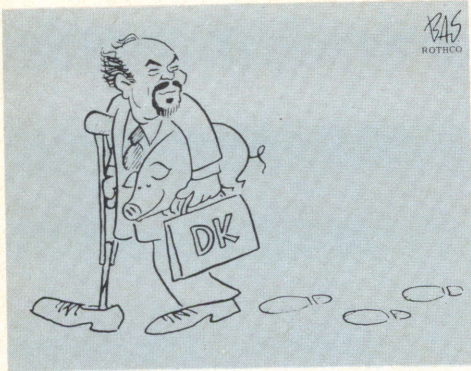
As any Danish motorist might testify, man's best friend is an automobile industry. Denmark has none, and the result is painfully obvious: Denmark now has the highest gas prices in Europe, and a medium-sized European car costs between \$10,000 and \$12,000 — gas-guzzling Mercedes and American cars about double that amount. As fully expected, the Danish Government reacted to the deteriorating economic situation by a new deflationary package in June—trying to curb demand and save energy at the same time by imposing new taxes on gas, electricity, fuel oils, and cigarettes (at \$2.40 a pack, also Europe's most expensive).

But almost before the Danes have had time to absorb the news of the latest tax round, the government is openly discussing the need for new taxes and curbs in private and public consumption. The latest OPEC price hike stunned Danish politicians, and government economists say that the energy bill of Denmark—which imports almost all its energy—will be 45 per cent higher this year than last.

First reports indicate that Danes are now saving energy; sales of gas were down more than 10 per cent in July. But then oil companies say that some stockpiling was observed in June, and in July the holiday season has blurred the picture. Moreover, the true gas consumption will remain difficult to ascertain; for in the south of Denmark many thousands of motorists cross the border every day to buy relatively cheap gas in Germany, and many Danes driving from Copenhagen to the north of the country now drive through Sweden—prompting the use of two different ferry-routes.

The Danes were the only Europeans who elected members to the European Parliament solely committed to working for the exit of a member country from the Community. "The People's Movement Against the EEC" elected four of 16 Danish members of the new directly elected European Parliament—one a self-declared Communist—and thus became the largest Danish group in the Parliament. But the turnout was poor (half of the Danes did not bother to vote), and interest in EC politics has not noticeably increased since the election, despite the strong showing of the anti-marketeers.

The People's Movement tries to cater to all political convictions, although the left wing seems to be in charge. The first cracks in the united front of the anti-marketeers are now appearing, after the Socialist People's Party claimed that by abstaining the anti-marketeers had secured the election of



"Denmark." © Bas, Tachydromos, Greece

Simone Veil as President of the Parliament instead of the Socialist candidate. Responds the strategist of the anti-marketeers in Parliament, Jens Peter Bonde: "We are not in the Parliament to influence the future of the Parliament." That is, non-decision-making is also decision-making.

—LEIF BECK FALLESEN

Dublin

There can be little competition for Ireland's biggest news story of the year—the visit of Pope John Paul to the country for three days at the end of August. The announcement of the visit was greeted publicly with universal joy, except in the North, where the Rev-

erend Ian Paisley reacted as might have been predicted, and where the Moderator of the Presbyterian Church—a clergyman from Portadown with very strong personal fundamentalist convictions—felt he had to say he could not meet a man so grievously in error as the Pope. For which sentiments he was roasted on all sides, including from within his own church.

The public joy was genuine enough. The Pope has shown himself to be a man of great warmth and humanity, and even if he wasn't, any Pope would be assured of a welcome in Ireland. But mixed with the joy there was rueful admiration for the Irish hierarchy in having pulled off an incredible coup.

Ireland, despite its close association in the Community with sinful Europe, has not strayed too far from the bounds, or bonds, of Catholic orthodoxy. Abortion remains an unspoken word; divorce is still prohibited by the Constitution. Legislation has only just been passed to allow the sale of contraceptives, under doctor's prescription. One result of the new law is that family-planning clinics, which have been operating for some years in the vacuum created by a court ruling on the constitutionality of earlier legislation banning contraceptives, may be forced to close. A result welcomed by Senator Patrick Cooney, one-time Justice Minister, who cited the clinics' not insignificant contribution to "casual or planned promiscuity."

The Catholic Church in Ireland has produced its own crop of liberals and radicals—priests and theologians who have been ready to question many traditional attitudes and practices, and who have complained that "Vatican" never did reach Irish shores. There has been a questioning too of the identification of Irish with Catholic. This has been a point for discussion with regard to the Northern violence, but even in southern terms radical Catholics have argued that society should at least be plural, if not secular.

In the face of this, the bishops had engaged in a tactical retreat. They insisted, for instance, that on the legislation on contraception, it was up to the legislature to make up its own mind. They, as the Catholic hierarchy, were concerned with the spiritual welfare of their people, and had no intention of dictating to parliament.

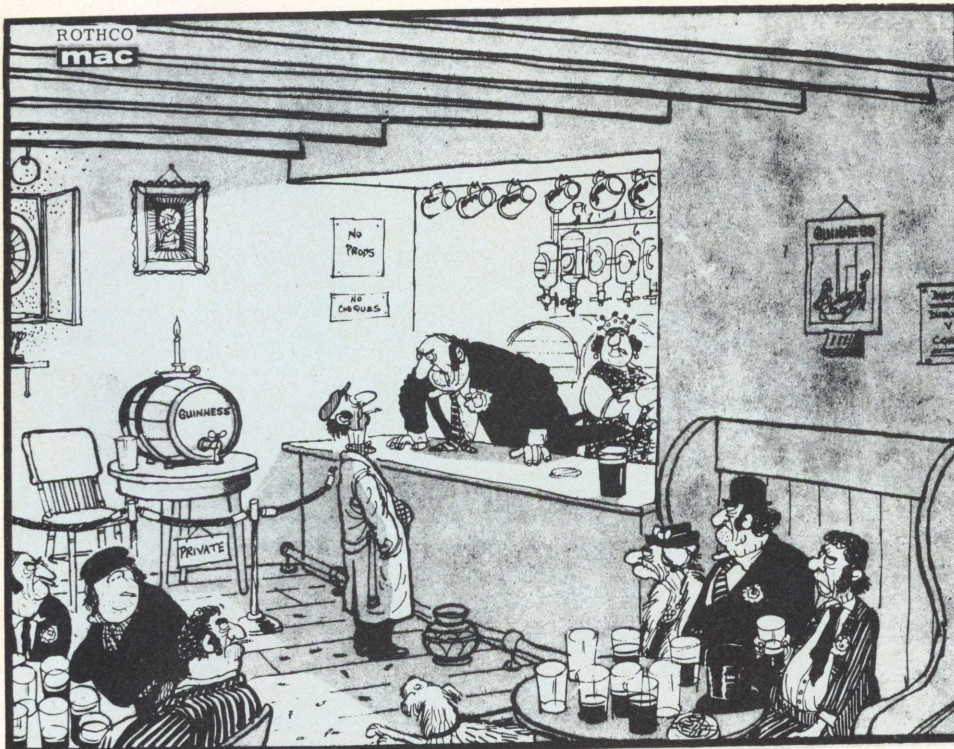
There was concern also that young people in Ireland might be less assiduous in their practice of Catholicism than their elders. The Irish Catholic remains one of the most consistent church-goers in the world, but the coming generation is perhaps the first to show signs of moving away.

It was the Irish bishops who pressed the invitation to the Pope, not the Dublin Government, and there was much stress on its pastoral nature. What better way to recharge Ireland's Catholic batteries than a visit from a Pope who is both universally acclaimed as an individual and very much a Catholic after an Irish bishop's own heart. It was a visit calculated to rout the radicals, outflank the liberals, enthuse the indifferent, and leave no doubt at all about the centrality of Catholicism to Irish life and society. The only trouble was that the visit did more than anything else to convince more Northern Protestants than Paisley that the Republic is an intensely Catholic country, and a traditional one at that.

—DENNIS KENNEDY

"Have yez no respect, O'Leary? What if the Pope was to slip in for a quick jar, and you with no tie. . . .?"

© Mac, Daily Mail, London



Brussels

The city of Brussels has survived for 1,000 years, but it's apparently no better than any other at bucking the old rule than says you can't spend what you haven't got. That truth was brought vividly home one day this summer when the City Fathers announced that the till was finally empty. For one bad moment it looked as though the 2,400 firemen, garbage collectors, and emergency service workers on the city's payroll would walk out. A prompt loan from the Belgian Government averted the prospect, although



gium's main population centers—in 1971. The idea was that responsibility for the main city services would gradually pass from commune to agglomeration. Unfortunately in Brussels this worthy notion has fallen victim to the city's chronic linguistic problem.

French speakers greatly outnumber Dutch speakers in Brussels, even though the capital is in the Flemish half of the country. In order to safeguard the rights of the minority, the central Government gave each language group an effective veto over any move it felt threatened its interest. The result is that control of the highly sensitive areas of police and education has remained firmly in the hands of the communes, and the agglomeration has only taken over fire-fighting and garbage-collecting.

The fact that most services are duplicated 19 times is one reason why Brussels costs a lot to run. Another is poor management—and even deliberate abuses—at the commune level.

All this is now the subject of scrutiny by a government working party set up after the emergency loan was granted. It could be that the communes and agglomerations will

have to borrow up to \$100 million between them this year. The national Government can and will demand a major restructuring of municipal finances as its price. If that in turn leads to some much needed centralization and merger of public services, then perhaps this summer's scares to the city's more than 1 million inhabitants will have done some real good.—ALAN OSBORN

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not before the newspapers had printed horrifying stories about unchecked fires and rat-infested refuse mountains.

Some commentators have been talking of "another New York," and on the face of it Brussels' deficit of some \$300 million last year is alarming. The authorities claim that they are having to provide costly services for a growing number of foreigners—migrant workers, EC employees, and multinational company officials—who do not contribute their fair share toward the expense.

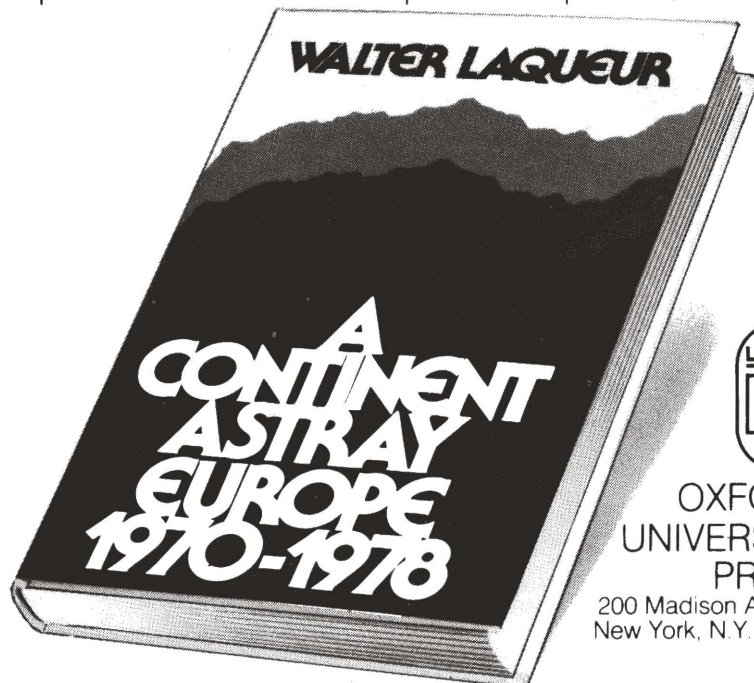
A more important factor is the tendency in Brussels, as in many other large cities, for its richer inhabitants to move out into the country and commute. But almost certainly the biggest single reason for Brussels' financial headache is the cumbersome and wasteful yet tenaciously protected structure of the city's administration.

Like other Belgian cities, Brussels is composed of a number of "communes" that are local government units responsible for an extraordinary range of services including police, public health, public utilities, education, and road maintenance. There are 19 communes in the "agglomeration" that comprises Brussels, and they all, unbelievably, maintain their own tiny municipalities, guarded with a fierce sense of civic pride. It was little more than 10 years ago that one had to watch out for changes in the emergency telephone number when crossing from one commune to another!

Absurdities like this led to the creation of the agglomerations—five in all to cover Bel-

Crisis and response.

"Fragmentation, internal squabbles, and aimlessness," writes Walter Laqueur, characterize Western Europe today. Now this noted analyst of international affairs probes the roots of these interlocking social, political, and economic crises, proposing radical new measures to "awaken European societies from their present stupor." \$15.00



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THE CONSTANT INCONSTANT

Climate, its study, its implications

CRISPIN TICKELL, *chief of staff for EC Commission President Roy Jenkins and author of the book Climatic Change and World Affairs*

THE WEATHER IS THE OLDEST SUBJECT OF SMALL TALK, largely because it is the constant inconstant in our lives. Recently summers of prolonged drought and winters and prolonged snow have made people wonder whether the inconstancy is not being carried from the weather into the climate. Is the climate changing? Do climates change?

The span of human memory is small, even smaller than human life itself. It is also very selective. People recall golden but somehow green summers or snowy but somehow sunny winters, forgetting more than they remember in each case. However climate is defined, it is constant only in its variability. The question is where the limits of such variability are; and these are of course different in

View of Hurricane Gladys taken from the Apollo 7 spacecraft. courtesy NASA, Washington

different parts of the earth. For those who, like most Americans and Europeans, live in relatively temperate circumstances, the limits are wide and conditions usually change quickly. This is not so elsewhere, and we should be the last to deduce long-term shifts in the climate from short-term wobbles in the weather.

Nevertheless our climate is changing. Those who have most cause and reason to notice it are the people who live in what might be called the frontier areas between the world's main climatic zones. The engine of the world's weather is the radiation of the sun. What turns the engine is the way in which that radiation is distributed in the form of winds and currents. In broad terms there is a warm, wet, and stormy area on each side of the equator, an area of sunshine and sinking air where all the world's great deserts lie, the temperate areas in mid-latitudes governed by strong westerly winds, and the concentrations of ice and snow around the poles. Small changes along the frontiers between zones have big effects: Thus the shift of a few degrees of normal seasonal weather can bring disaster, whether in the form of drought to the Sahel in Africa, or in the form of torrential floods to Bangladesh and Southeast Asia.

The definition of genuine climatic change is largely a choice of scale. At one extreme there is a possible rhythm of around 300 million years as the earth, with the sun, rotates around the axis of our galaxy of a billion stars; at the other extreme there are some annual oscillations and the 11-or-22-year rhythm by the magnetic storms in the sun known as sunspots. Between these extremes of time are many other rhythms, including three—the so-called Milankovitch effect—which at intervals of 90,000, 40,000, and 21,000 years affect the relationship between the earth and the sun. There are so many rhythms, so many patterns of change, so many variables which could affect both, that only the brave or the foolhardy dare to predict what will happen in the next quarter century (which is about as far as anyone could hope to foresee).

What are the main agents of change as we know them? Outside the earth there are the variations in our path through space and our relationship with the sun. The heat



that arrives from that friendly star is not as constant as was once thought, and the "Little Ice Age" of the Seventeenth Century, when oxen were roasted on the Thames in London, was almost certainly connected with a blink in solar radiation. Then there are changes on the surface of the earth, from the slow but crucial drift of continents to volcanic explosions, which can rapidly shroud the earth in particles of dust (about a million tons of such dust falls to the earth's surface every year).

Finally, there are the changes which may be brought about by mankind. No one yet claims that we have substantially affected the world climatic system as a whole, but it is certain that we have caused regional changes by destroying forests, building lakes and irrigation systems, and creating heat domes over built-up areas. Less clear are the effects of what we have recently been putting into the sky. In particular, there is at present a steady increase in the quantity of carbon dioxide gas (CO₂) and aerosol particles in the atmosphere as a result of increasing consumption of fossil fuels, burning of forests, and industrial activity generally. In April I attended a workshop organized by the American Association for the Advancement of Science and the US Department of Energy to carry forward studies on this subject: The results have yet to be published, but they will serve to emphasize both the uncertainties of what is happening and the risks we run in altering one of the elements in a delicate and highly complex system.

THERE ARE MANY WHO BELIEVE ON study of the available data that we are moving back toward a renewal of the glacial conditions which ended only 10,000 to 12,000 years ago. That is certainly the lesson of the Milankovitch effect. Over the last million years warm periods of the kind we now enjoy have usually lasted around 10,000 years, and on that reckoning our time is up. A cooling trend, which could come quickly enough to be recognized, would eventually change the face of the world as we know it. At one point during the last Ice Age, Europe was glaciated as far south as the English Channel, and North America as far south as Cape Cod, which is what remains of an old glacial moraine.

On the other hand, there are many who believe that the earth is becoming warmer, and that the effect of increasing concentrations of CO₂ in the atmosphere will be to make it warmer still. This also would change the face of the world. Most dramatic would be the melting of the grounded ice in West Antarctica—which alone would raise sea levels by about 15 feet and put much of the eastern seaboard of the United States and the western seaboard of Western Europe under water. These are only the extremes. Between them lie many permutations, including of course the one that within the next quarter century things will stay within their present limits of variability.

If climate has always been variable, and human history has always been subject to it, is there anything to be done about it? Some will argue that change is likely to be so slow that we should not waste time and money planning for it. On this argument the animal species to which we belong has always proved highly adaptable, and will no doubt prove adaptable again.

In my judgment this misses the point. The success of our species has been in the tiny moment of time which is the end of the Ice Age, and the multiplication of our numbers in the even tinier moment which is the Industrial Revolution has made us dangerously vulnerable to change. In the past people could respond to change by using their feet; now we have occupied every possible environment, exploited and thereby changed it, and made ourselves peculiarly dependent on specific climatic and other circumstances. There is nowhere left to go. Thus change beyond the existing limits of variability could cause widespread disruption, above all for those living in the frontier areas between climatic zones.

There is an obvious need for greater understanding of the mechanisms of climate and above all of how we may be upsetting them. Much work is already being done. The World Climate Conference, which took place in Geneva last February, set in hand a world climate program of research, designed to improve knowledge not only of climatic variability but also of its likely effects upon human society. Many governments have their own climate programs, in particular the United States, and the European Community has in hand a program of its own.

But the acquisition of more knowledge is not enough by itself. We need international agreement on how to avoid activities that might by affecting the climate do harm to others, and on how to cope with climatic crises in the future. This would range from control of climatic experiments (cloud-seeding, etc.) to consultation over such major projects as river diversion and Arctic oil-drilling, and the creation of food banks.

New international institutions will be necessary to exercise responsibility for the agreements reached. We also need wider agreement than now exists to prevent the modification of the climate for purposes of war. The issues* raised are very large, and relate to the increasing need for effective international management of the resources of our planet. Such management will require a much greater sense of international responsibility on the part of individual governments than has so far been shown. But however great the difficulties, they are not insoluble, and they will be easier to cope with sooner than later. We should start now.

*These issues, in particular the possible shape of such international agreements and institutions, are covered in depth in the author's book, *Climatic Change and World Affairs*, published by Harvard University in 1977 and Pergamon Press in 1978.

ON THE RIGHT WAVE LENGTH

Information flows over and under the Atlantic

DIANA SCIMONE, *Washington-based freelance writer*

- A three-hour conference is simultaneously attended by psychologists and social workers in France, Canada, and the United States—without anyone leaving home. After viewing videotapes of an international meeting of the Council for Exceptional Children, participants on the western side of the Atlantic ask questions of the panel of experts in Paris.
- A Hamburg bureau chief for *Deutsche Presse Agentur* (DPA) scans a half-dozen stories on a video display terminal then chooses the one filed only an hour earlier by a correspondent in New York. He punches a code on the computer's rows of buttons and the story appears on DPA wire terminals all over the world.
- Instead of consulting miles of shelves at the local medical library, a doctor at L'Hôpital de Bicetre in Paris, stumped by a particularly difficult medical problem, consults a computer hooked to an information bank halfway around the world at the National Library of Medicine in Washington. She quickly searches through over half a million references stored in the library's computer, and within moments the screen blinks back the answer to her problem.

"INFORMATION IS OF TWO KINDS. WE KNOW A SUBJECT ourselves, or we know where we can find information upon it." When Samuel Johnson wrote these words in 1775, it's unlikely that he imagined the amount of information to be amassed only 200 years later. In fact, those who calculate such things estimate that by 1800 human knowledge was doubling every 50 years; by 1950 it was every 10 years; and by 1970, every five. Relaying this knowledge around the globe in a matter of moments are satellite and cable networks. The results are a true "information explosion."

Just as Parisian doctors can hook into a Universal Data

This primer on international communications is the first in a series of articles the magazine will run on this developing field—including nontariff and other barriers to data flows as well as transfers of technology.

Transfer Service halfway around the globe, thousands of "bits" of information can be stored in one part of the world and retrieved in another. Transatlantic cables and satellites transmit thousands of telephone messages every day. Corporations no longer wait for a paper letter to cross the Atlantic; instead, they rush it through a facsimile machine, and the recipient quickly has a copy in hand.

Over 120 countries—including all EC member countries—use satellites and cables to transmit teletypewriter messages, data, pictures, telemetry, and on-line information all over the globe. Terrestrial connections extend this service to more than 1 billion people. The cost of making such telecommunications available to everyone is dropping each year; in fact, a paperback book may soon cost more than storing the same information in a computer.

Communication has come a long way since Gauss and Weber first strung wire over the roofs of Göttingen to make a telegraph system. All the EC members (along with 92 countries around the world from Afghanistan to Zambia) are now joint partners in Intelsat, the International Telecommunications Satellite Consortium. Participating organizations from each country share in financing and owning satellites and their tracking and controlling equipment. In most cases this is handled by the postal and/or telephone-and-telegraph authority, although a number of countries such as Italy and the United States have set up private companies (*Società Telespario* in Italy and the Communications Satellite [Comsat] Corporation in the United States). Eighty-eight countries own and operate earth stations to receive satellite signals; those countries without them lease usage from others—thus expanding the network.

The volume of information criss-crossing through the waters of the Atlantic makes cable a second common means of transoceanic communication. At present there are seven transatlantic telephone cables stretched between the United States and Europe, and a two-year battle has just been resolved over constructing another,

TAT-7, to be built by European communication agencies and a group of North American companies.

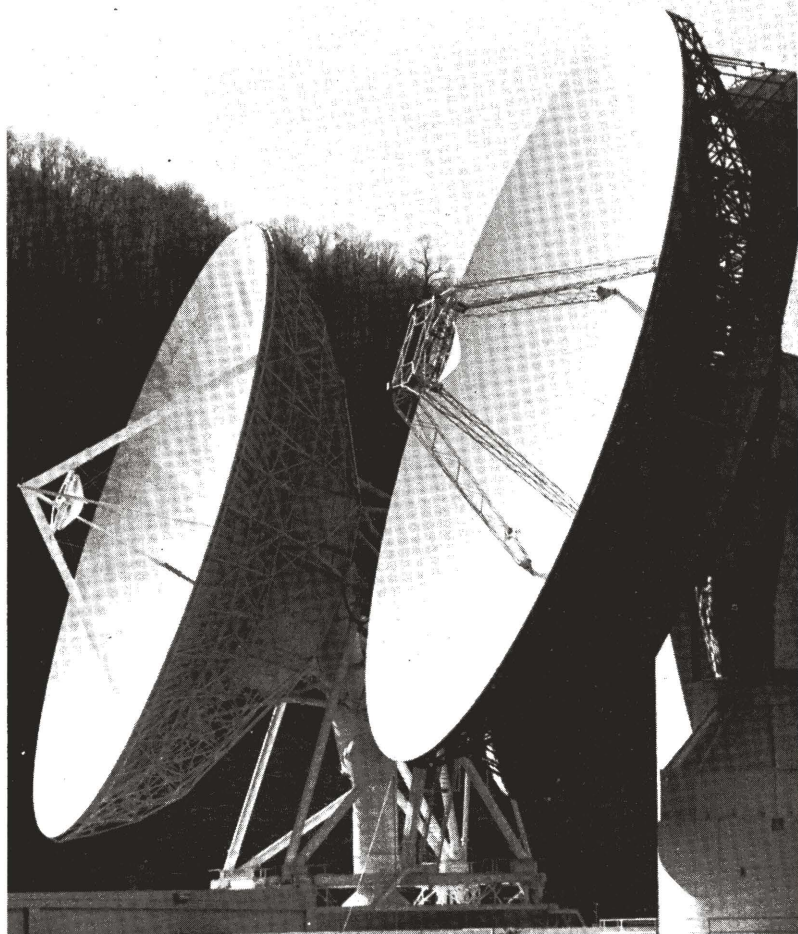
Because the US Federal Communications Commission (FCC) has jurisdiction over the American hookup with any such cable, it had to approve construction of TAT-7. The original application's rejection by the FCC in 1977 on the grounds that existing satellites supplied enough capacity resulted in what Bernie Goodrich of International Telephone and Telegraph (ITT) termed "nasal dislocations" among the European countries. "Many felt the FCC was too satellite-oriented—to the point of having denied additional cables across the Atlantic," explained Goodrich, whose company has a stake in construction and operation of such cable systems. He added, "Europeans often find the American 'apples-and-oranges' set-up frustrating": a public postal system; privately-owned common carriers which operate telecommunications systems including telegraph and telephone; and the FCC, a government agency with jurisdiction over international communications.

Just last April, however, the FCC reversed its original decision, due in great part to the efforts of the European countries involved. The go-ahead should be given shortly for construction to begin sometime later this year.

EVERY 20 YEARS the World Administrative Radio Conference (WARC) meets to assign radio frequency allocations to international users of satellites, microwaves, and high-frequency radio. This year the Geneva-headquartered International Telecommunications Union plays host to the 10-week conference beginning in September. Some 154 countries—70 more than attended the last meeting in 1959—are queuing up to take sides. In the past, frequency allocations have been assigned to whomever needed them—what many Third World nations term a rather arbitrary, first-come, first-served system they feel has caused industrial nations to monopolize the spectrum of frequencies. A fight is sure to brew over short-wave band with allocations that Third World nations want reserved for mass domestic broadcasting. The industrial world, on the other hand, wants them set aside for international broadcasting and other uses such as marine communications.

If this isn't enough to create an icy atmosphere at the conference, some Third World nations oppose using extra-high bands, which this conference will allocate for the first time, for unrestricted earth-resource satellites—exactly the opposite of how larger nations are sure to vote.

Many of those involved, such as US Senator Harrison H. Schmitt, a member of the communications subcommittee that will review the WARC treaty, feel a clash is imminent. But others agree with Rudolf Binz, chief of frequency management for the German *Bundesministerium für Verkehr Post-und-Fernmeldewesen*, who is



These 98-foot dish antennas are part of the Itelsat earth station facility in Etam, West Virginia, that provides circuitry for the new Moscow-Washington "hotline." courtesy ITT

convinced the conference is "doomed to success."

That the WARC is trying to develop new technologies of global benefit is indication that the international communications community is already trying to work together, in spite of "nasal dislocations" and "imminent clashes." Many are convinced such cooperation and trust are essential, as success in this field depends not so much on hardware as on sharing of resources. Plans on the drawing board for Intelpost (an international electronic postal system) and expansion of Marisat (satellite service to international ships at sea) underscore this need.

As communications and industry become more and more closely welded, countries with the best communications facilities will no doubt maintain the highest economic growth. Experts stress there is already much duplication of research effort, and point out that even minor incompatibilities, such as differing television standards, cause lengthy delays and unnecessary expenses. The International Telecommunication Union, Intelsat, and the World Administrative Radio Conference are already on the right "wavelength," but if advances in telecommunications are to remain in the public interest, continued international cooperation is crucial.

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NEWS

OF THE COMMUNITY

EXTERNAL

Work Safety Examined

The EC Commission and the US Government agreed in mid-June to cooperate and exchange information on safety and health in the work place.

Regular meetings between authorities will be held to plan, coordinate, and implement cooperation on questions of common interest, such as toxic substances in the air; safety and health problems; carcinogenic substances; toxicological tests; economic factors; data concerning accidents and sickness rates; research findings; and information and teaching.

EC-US Semiannual Talks Held

EC and US officials, meeting for their semiannual high-level consultations in Brussels in mid-July, concentrated on the energy situation and the world economy.

Delegations led by EC Vice President Wilhelm Haferkamp, in charge of external affairs, and Undersecretary of State for Economic Affairs Richard Cooper discussed ways of implementing the Tokyo Summit commitments on energy imports and also the recent accords of the Tokyo Round of trade and tariff negotiations.

The participants noted the worldwide effect of the recent oil price rise; nevertheless, there have been some positive signs such as a pickup in investment and orders. They observed, however, that the United States seemed headed for a pronounced economic downturn during 1979, although Cooper said that indicators suggested an improvement in 1980 and that forecasts for the Community were better than for the United States.

Cooper also noted that 1979 had been a vintage year for Europe because of so many historic events such as European Parliament elections, the signing of the Greek accession treaty, and the conclusion of the Tokyo Round.

The delegations at times broke into small working groups to deal with specific subjects such as research and development or environmental cooperation. Other issues covered by consultations included science and technology, transport, labor policy, the North-South dialogue, health, raw materials, and EC enlargement.

Singapore Trade Discussed

Prime Minister Lee Kuan Yew of Singapore visited Brussels in mid-June for discussions centering on trade.

It was agreed that Singapore should increase its exports of high-technology products. Trade relations between Singapore and Europe were examined in view of the new EC-China trade accord.

In addition, the Prime Minister discussed the developing contacts between the Community and the Association of Southeast Asian Nations (ASEAN) concerning energy problems.

EC-Morocco Council Meets

EC and Moroccan foreign ministers met in Luxembourg in June for the first session of the EC-Morocco Cooperation Council to examine relations since the 1978 Cooperation Agreement entered into force last November. Trade aspects of the agreement have been in effect since 1976.

The Moroccan delegation stressed concern for Morocco's worsening trade deficit with the Community. The Community noted that talks on the subject had been held and that the situation would continue to be examined.

Moroccan representatives also expressed concern about the effect of EC enlargement on Morocco, particularly the impact of Spanish membership on EC-Morocco trade because of the competitiveness of Spanish and Moroccan goods. The EC delegation replied that the Commission was studying the consequences of enlargement on external relations and would take particular account of Morocco's concerns during enlargement negotiations.

In a review of work in the field of financial cooperation, the council welcomed in particular the signing of two financing agreements concerning EC participation in a building project in the Port of Jorf Lasfar, of special importance to Morocco's phosphate industry.

China Accepts Textile Pact

Relations between the Community and China moved forward in late July when the two initialed a textile agreement and the joint EC-China commission met for the first time in Peking.

The five-year textile pact, concluded after long and difficult negotiations, foresees a significant expansion of Chinese fabric exports to the Community while taking into consideration the present difficulties of the European textile industry. Sensitive products will

be subject to limitations, and the Chinese agreed to a safeguard clause whereby the Community could protect against sudden disruptive imports.

Delegates to the commission discussed ways to improve economic cooperation and trade relations, including China's entry into the EC system of generalized tariff preferences for developing countries. The joint commission was established under the 1978 EC-China commercial accord.

EC-Andean Accord Proposed

Colombian President Julio Cesar Turbay Ayala proposed a cooperation agreement between the European Community and the Andean Pact countries during his visit to Brussels in early July.

The EC Commission expressed willingness to begin talks on the accord as soon as it obtained a mandate from the EC member states. Possible areas to be covered by the proposed agreement include investment promotion and industrial and trade cooperation.

Other issues discussed during Turbay's visit included EC relations with Lomé countries, trade policy, and the prospective enlargement of the Community to include Spain. Community officials plan a visit to Latin America in the autumn.

EC-East Contacts Continue

EC contacts with Eastern European countries—Yugoslavia, Romania, and the Soviet Union—marked the first week of July.

Talks with Yugoslavia were resumed on the possibility of concluding a new trade and cooperation accord to replace the one that ended in 1978; the accord has been extended since then. In response to the EC delegation's offer of limited free trade in industrial products as well as financial and social provisions, the Yugoslav team made additional requests—emphasizing Yugoslavia's traditionally large trade deficit with the Community.

Negotiations with Romania continued on the conclusion of a sectorial accord for industrial products and the creation of a corresponding joint committee. Romania is the first Comecon country to request such a link with the Community.

The EC Commission also announced that it had finally received a reply from Comecon concerning its earlier proposals for an information and cooperation accord between the two groups. Comecon invited the Commission to continue negotiations in Moscow, but the Commission indicated it needed more time to prepare for the meeting, considering the delay in the Comecon's reply.

Jenkins After Tokyo

EC Commission President Roy Jenkins said in late June that despite serious problems, the Tokyo economic summit

had achieved "significant progress."

Discussion on energy produced agreement on medium-term goals for oil imports with specific targets adopted for 1979, 1980, and 1985. The summit also recognized the essential roles of coal and nuclear power.

Speaking at a joint press conference in Tokyo, Jenkins noted that the European Council meeting in Strasbourg one week earlier had provided a good foundation for the European contribution to the Tokyo summit.

EC Meets with Latin America

EC Commission officials and the Latin American ambassador to the Community, meeting in Brussels in mid-June, decided to undertake a new effort to improve trade and economic relations.

Specific problem areas include recent Community restrictions on steel from Brazil and apples from Chile. EC delegates noted that detailed studies on the state of trade relations were underway which would help analyze and improve the situation. The two sides also agreed to step up measures to combat hoof-and-mouth disease in Latin America.

Leather Subsidies End

In response to an EC Commission investigation into Brazilian leather export subsidies, the Brazilian Government is acting to remove the existing export incentives.

The Commission began an anti-subsidy inquiry last January following a complaint by Community tanners that Brazilian exporters of finished leather received certain subsidies. As a result, the Brazilian Government is abolishing industrial products tax refunds to exporters and maintaining an export charge on deliveries to the Community to offset the corporation tax rebate.

EC-ASEAN Ties Planned

The EC Commission wants the Community to establish a commercial and economic cooperation agreement with the Association of South East Asian Nations (ASEAN).

The agreement would provide a framework for strengthening and diversifying trade and economic cooperation between the two regions. A joint cooperation committee would be set up to implement the agreement.

From the Community viewpoint a formal cooperation agreement would facilitate and encourage European participation in the economic growth of one of the most rapidly developing and resource-rich areas of the world. Although trade with ASEAN has rapidly expanded, the Community's share of ASEAN external trade has continued to fall behind that of Japan.

The ASEAN would benefit from a better balance between their economic partners and increased internal economic integration, thereby strengthening regional political stability.

AID

1980 System Proposed

The EC Commission proposed in early July to reduce or eliminate tariffs on developing country imports by 9.5 billion European units of account (EUA) under the 1980 generalized system of preferences.

The 1980 plan represents an EUA 2 billion increase over 1979 and contains substantial improvements, notably regarding industrial products. In addition, China is to benefit for the first time. The Community has operated a system of import preferences for developing countries since 1970.

EC Aid to Uganda

A team of EC Commission officials visited Kampala in late May to prepare for the implementation of an aid program for Uganda.

A three-phase plan is already underway to assist in Uganda's recovery after Idi Amin's downfall. The current first phase consists of humanitarian emergency operations: In late April the Commission granted 300,000 European units of account (EUA) as exceptional aid for food and medical supplies.

In late June, the Commission granted EUA 274,000 to aid 20,000 Ugandan refugees in southern Sudan. The funds will be used for a three-month emergency program involving health care, sanitation, transport, and household equipment.

The second phase is to involve short-term operations to normalize living conditions, such as repairing the telecommunications, water, and elec-

tricity networks; restoring transport; providing technical and agricultural assistance. In the third stage, traditional development projects are to be resumed.

Senegalese President Visits

Senegalese President Leopold Senghor visited the EC Commission in mid-June to sign three accords for Community financing of development projects in Senegal.

The three financial conventions total nearly 2.25 million European units of account (EUA): EUA 1 million for a surgery ward in the main hospital of Dakar; EUA 250,000 for the establishment of a data processing system for the central administration of the country; and EUA 790,000 for the first phase of a major commercial export promotion campaign.

1978 Stabex Financing

Sixteen financing agreements were signed in Brussels in late May to stabilize export earnings in 13 African, Caribbean, and Pacific (ACP) states. This was the first installment for 1978 under the stabilization of export earnings (Stabex) system of the Lomé Convention.

The transfers, totaling 118.9 million European units of account (EUA), were awarded in the form of grants, except in the case of Senegal, which received a loan. Over two-thirds of these transfers compensate for decline in production due to unfavorable natural circumstances, such as the drought in the Sahel which affected groundnut crops. The earnings of three products—iron ore, sisal, and pyrethrum—were affected by adverse economic conditions.

With this installment, transfers under the Stabex system since 1975

amount to nearly EUA 270 million, the overall Stabex appropriation being EUA 380 million.

African Railway Funded

The Benguela Railway through Africa's copper belt will be rehabilitated through a major international effort costing 21.3 million European units of account (EUA).

A financing agreement was concluded in Brussels in mid-June to refurbish the line and purchase new equipment. The railway runs through Zaire, Angola, and Zambia and is crucial to their economies. A second effort to further increase the line's transport capacity, and costing over EUA 40 million, is to be considered at an October meeting.

Contributors to the project include the European Community, EUA 8 million; the Arab Bank for African Development, EUA 7.8 million; the Netherlands, EUA 2 million; and, Belgium, EUA 1 million.

EDF Financing Outlined

Thirteen countries were granted financing from the European Development Fund (EDF) in an EC Commission decision in early July.

Zambia was awarded a loan of over 2 million European units of account (EUA) to improve the Mpika urban water supply system, as well as two grants totaling nearly EUA 3.2 million to develop better animal husbandry methods and an educational establishment for dairy training. In addition, a joint grant of EUA 10 million to Zambia and Botswana was designated for the construction of a road from Nata to Kasungula.

A loan of over EUA 3.6 million was granted to the Ivory Coast for the de-

velopment of village agriculture; EUA 400,000 was loaned to Fiji, Western Samoa, and Tonga for a container supply to the regional shipping line; EUA 21,000 to the Falkland Islands for equipment for a hospital; and EUA 780,000 to the Solomon Islands as a line of credit for its development bank.

Uganda is to receive a grant of EUA 18.5 million as a short-term aid program for all economic sectors. A grant amounting to over EUA 3.5 million will go to Guyana to construct a road along the Berbice River.

Other grants include more than EUA 1.2 million to assess the soil's mineral potential in southwestern Cameroon; over EUA 1.8 million to assist in establishing a National Higher Management Training Center in Madagascar; and EUA 1.2 million to alleviate the effect of Cape Verde's drought.

Commitments to the fourth European Development Fund now total over EUA 2 billion.

EIB Loans Announced

Projects in six countries ranging from industrial promotion to hydroelectric power development were recently granted long-term financing by the European Investment Bank (EIB).

Turkey is to receive a loan totaling 56 million European units of account (EUA)—EUA 36 million of which will be used to expand the Keban hydroelectric power station on the Euphrates in Southeastern Anatolia. The remaining EUA 20 million is to be channeled through Turkish development banks to support small and medium-scale private industrial ventures.

Improving hydroelectric power is also the purpose of the loan granted to Austria. EUA 39.3 million will go toward an overall EUA 350 million in-

EC Aids Asian Refugees

The Community's recent contributions to helping Southeast Asian refugees were outlined by EC Commissioner Claude Cheysson, responsible for development aid, at a United Nations (UN) conference in Geneva in late July.

The Community has granted \$7 million to the UN High Commissioner on Refugees, he said, in addition to nearly \$20 million allocated in the 1979 Community budget. In terms of food aid, an emergency decision was made in early July to supply 8,000 tons of rice and 1,500 tons of powdered milk, covering 50 per cent of the High Commission's food requirement for the refugees for the June-to-August quarter. Cheysson announced that the Community would continue providing half of the High Commission's rice and milk needs in Southeast Asia for at least the next six months.

He said the Community is the largest contributor to the UN refugee program after the United States.

Cheysson also noted that the first discussion on the new European Parliament's agenda was the refugee problem: "I was sent by the elected Parliament to tell this notable Geneva meeting how deeply Europe is touched by the suffering of the men and women of Indochina who are desperate to the point of abandoning their past, their culture, their world; threatened on every side; rejected by all; no longer having any perspective but to find somewhere a refuge, an exile, where they will be able to survive certainly, but at the cost of abandoning a part of themselves."

Also speaking at the Geneva meeting, President of the EC Council of Ministers Michael O'Kennedy, of Ireland, pointed out the political aspect of the refugee problem: "The problem with which we are confronted is not only serious and urgent but also complex. It has aspects which go beyond the question of refugee status or the problems of accommodation,

health care, nourishment, and transportation of those who have fled—and unless these aspects are dealt with, the problem will continue to grow. . . . There are very important aspects of this exodus which are simply not within the capacity of states now receiving refugees, or states outside the region, to solve and which can be resolved only by the countries which the refugees are leaving. . . ."

Describing the situation as a "major humanitarian effort," O'Kennedy said: "In our view, what is necessary is that each of the countries represented here, including in particular the countries which the refugees are leaving, should face its own particular responsibilities if the common effort to alleviate human misery and death is to succeed. This means that measures should be agreed to ensure that, while no one is compelled to leave, those who do freely wish to leave their countries of origin and can be accepted for settlement elsewhere may do so—and do so in conditions which will be consonant with human dignity."

vestment in a new power plant in the Austrian Tyrol to come on stream in 1987. In another European project, Portugal was advanced ECU 15 million to support small and medium-scale ventures in industry and tourism.

Three African countries are also to receive financing under the recent decisions. Morocco will be lent ECU 40 million to help finance construction of an ore-handling port at Jorf Lasfar between Casablanca and Safi. The port is to handle the projected upturn in phosphate rock exports; Morocco is already the world's largest exporter.

The EIB also granted a loan of ECU 2.5 million to Cameroon for the construction of a terry toweling mill at Douala. The third African project, involving ECU 1.19 million, is to build a chrome ore dephosphorization pilot plant at Andriamena in Madagascar.

Emergency Aid Granted

The EC Commission recently granted emergency aid to India, Paraguay, and Fiji following natural disasters that left many homeless.

Providing basic essentials for the victims of a cyclone in India and flooding in Paraguay is the purpose of 100,000 European units of account (ECU) allotted in mid-June.

Fiji is to receive ECU 300,000, under terms of the Lomé Convention, to deal with destruction caused by a cyclone in late March. The funds, granted in early July, are to be used for rebuilding houses and public buildings.

FAO Conference Meets

Representatives of the European Community participated in a United Nations conference on agrarian reform and rural development in Rome in mid-July. Sponsored by the Food and Agriculture Organization (FAO), the conference was attended by some 150 nations and 200 organizations.

The Community delegation noted that EC development funds should reach a minimum annual average of \$1.8 billion in 1980, much of which would eventually be designated for rural and farm programs. Some 40 per cent of funds available under the newly renegotiated Lomé Convention are to be allocated for rural development. In addition, the Community has a large food aid program which is often destined for rural populations.

Manpower Seminar Held

The first seminar on the planning of human resources in development policy was held in Brussels in June.

The seminar aimed to familiarize participants with all aspects of human resource planning. Coordination of education, training, and employment and means of ensuring optimal resource utilization were emphasized.

Senior officials responsible for manpower planning in French-speaking African, Caribbean, and Pacific states attended the seminar organized by the EC

Commission and the Institut de Formation des Cadres pour le Développement.

ENERGY

Euratom Report Issued

EC development of nuclear energy proceeded at a restrained pace in 1978, according to the Euratom Supply Agency annual report issued in June.

Only four nuclear power stations were newly commissioned in 1978. Three nuclear plants comprising six reactors were firmly committed and ordered.

Regarding natural uranium, which the Community must import, the 1977 tendency toward greater market equilibrium and less of a "seller's market" was reported to have increased, and the need for efforts to assure long-term supply was reaffirmed. In contrast, the European share of supply of the enriched uranium market was forecast to increase.

Nuclear energy accounted for 10.2 per cent of net electricity production in the Community in 1978.

EC-Canada Energy Seminar

The Community could have a new energy conservation program based on the Canadian "energy bus program." The idea was introduced to EC Commission representatives and technical experts from the member states during a seminar in Ottawa in early June.

The energy bus program is a joint federal-provincial program for on-site computerized energy audits. The bus is equipped with two mini-computers, energy-measuring instruments, demonstration equipment, and video units, and staffed by a team of engineers and technicians. It operates throughout Canada to assist companies and institutions in reducing their energy costs and improving energy-use efficiency.

Experts from the EC Joint Research Center planned to follow up the mission with a proposal on the organizational and technical aspects for a Community energy bus program.

Biomass R&D Funded

The EC Commission signed an International Energy Agency agreement in late June on the establishment of a Technical Information Service in the field of biomass research and development.

The service, to be operated by the National Board of Science and Technology of Ireland, will provide a regular source for scientific and technical data in all areas of energy from biomass, including harvesting, collection, processing, transportation, and conversion techniques.

The Commission's annual contribution to the project will be about 4,000 European units of account for at least three years.

1990 Energy Goals Proposed

EC member states must invest \$50 billion per year between now and 1990 to reach objectives for energy consumption proposed by the EC Commission, said Commissioner Guido Brunner, in charge of energy policy, at the Council of Ministers meeting in mid-June.

Two principal objectives were proposed: to reduce progressively energy consumption while maintaining economic growth and to limit dependence on energy imports from third countries to 50 per cent, thereby maintaining oil imports at the 1978 level of 470 million tons.

Measures to achieve these objectives include: increased use of solid fuels and nuclear energy to cover 75 per cent of Community electricity production; research into renewable energy sources; enhanced security of supplies from third countries; greater convergence in member state pricing and taxation policies; greater emphasis on scientific and technical research; and increased investment in energy saving, for example in the manufacture and purchase of fuel-efficient vehicles.

Uranium Accord Approved

A controversial accord between Britain and Australia assuring uranium supplies to Britain in the 1980's was approved by the EC Commission in early July.

The Commission had been examining the agreement, first concluded in 1978, to determine whether its provisions on the security of transfers to third countries conformed to Euratom's requirements for the free movement of uranium within the Community.

The EC Commission is expected to negotiate an overall safeguards accord with Australia and other suppliers before deliveries begin under the UK-Australia arrangement.

UN Energy Conference

Preparation for a major international conference in 1981 on alternative and renewable energy sources began in Brussels in mid-July, when representatives of the EC Commission and the United Nations met.

The conference will be aimed at promoting the development of new energy sources, especially in the developing countries. These include solar, geothermal, wind, sea, wood, biomass, bituminous shale, water, coal, animal waste, and other sources not yet fully exploited.

The secretary general for the conference, Mohamed Gherab, said that a significant contribution from the Community was expected at the conference.

European Council Meets

Heads of state or government of the nine member states agreed in Strasbourg, France, in late June to limit an-

nual oil imports to the 1978 level of 470 million metric tons.

Focusing on energy issues, the European Council also decided to require the registration of international oil transactions if the other industrialized states take similar measures. The decision followed recent concern over the functioning of the Rotterdam spot market and was designed to head off possible speculation that could increase the oil price spiral on the world market. The Council declared it was ready to dissuade oil companies from paying excessive spot-market prices.

These decisions on energy were taken one week before the heads of state of four European Community nations and EC Commission President Roy Jenkins met President Carter, Prime Minister Ohira of Japan, and Prime Minister Clark of Canada at the Tokyo Summit.

On other issues, the Nine noted that after three months in operation the European Monetary System was in good health. They also called for increased coordination of member states' economic and budgetary policies in order to minimize the negative effects of the oil crisis on inflation, unemployment, and the growth rate.

The Council also discussed recent elections to the European Parliament, trade relations with Japan, and the Indochina refugee problem.

EC Oil Bulletin

The pre-tax price level of the principal oil products available in the Community in early July had increased by an average of 42.5 per cent since the end of 1978, according to an oil bulletin released by the EC Commission.

If European consumer prices had aligned on the increase in Rotterdam quotations, the figure would have been practically 113 per cent.

The average increase in pre-delivery prices of crude oil forming part of Community supplies was some 57 per cent for the same period, said the bulletin.

The Commission publishes weekly bulletins in order to make Community oil markets more transparent, particularly regarding price formation.

ECONOMY

Economic Forecasts Revised

The economic upturn in the Community late last year slowed somewhat in early 1979, and the recent oil price rise will cause a scaling down of 1979 economic forecasts, said a report issued by the EC Commission in mid-July.

The report indicated that due to the more than 27 per cent increase in oil prices this year, inflation will increase in the Community from the projected 7.5 per cent to approximately 9 per cent. Industrial production will fall

from 3.4 per cent to 3.2 per cent, and the balance of payments surplus will be reduced to about \$8 billion.

The report also noted that the European Monetary System, begun in March, had been functioning smoothly, but that there had been major changes in some currencies' exchange rates, particularly the Italian lira, which had gained against weaker currencies.

Commission Meets ETUC

The European Trade Union Confederation (ETUC) met in early July with the EC Commission to exchange views on the Community's economic and social situation.

The energy crisis and its impact on incomes and employment were the focus of the discussions. The Commission stressed the need for a major investment effort to meet the situation, while the ETUC reiterated its demands aimed at reestablishing full employment and, in particular, confirmed its determination to achieve a substantial reduction in working time as soon as possible.

The ETUC stressed that the energy crisis should not be used as an excuse for not resolving pressing social questions. The two agreed to hold a follow-up meeting this fall.

Savings Plans Examined

How to encourage the public to save or invest income earnings was the subject of a study recently released by the EC Commission. EC Commission Vice President Henk Vredeling, in charge of social affairs, presented the report in mid-July in hopes of promoting a broad debate on the issue.

The study notes that most member state governments have begun programs and policies in this field, known as asset formation. Different plans were examined including the German "624 DM Law," whereby employers invest a certain portion of workers' income in savings, homes, company shares, or other forms of investment.

The report also noted ambitious plans for national pension or profit-sharing funds proposed in Germany, the Netherlands, and Denmark—intensely debated in recent years and so far stymied by opposition.

ECSC 1978 Budget Approved

The European Coal and Steel Community (ECSC) last year granted 141 loans totaling 798 million European units of account (EUA), according to its 1978 balance sheet and operational budget recently approved by the EC Commission.

The ECSC continued to provide financial aid for a number of modernization and restructuring projects in the iron and steel industry, despite the fall in investment in that sector, which has been in crisis since the end of 1974. Investment in the coal industry remained high, and the ECSC recorded a

significant increase in its financing over the previous year.

The ECSC's borrowing activities, as in previous years, made use of all capital markets. Fifty-three public and private loans were issued amounting to over EUA 1 billion, compared with 32 loans totaling EUA 729 million in 1977.

Jobless Rate Declines

The decline in unemployment in the Community, which began last February, continued in May, according to recent statistics released in Brussels.

The number of unemployed fell by 250,000 to a total of 5.6 million, or 5.3 per cent of the civilian labor force. At the height of the crisis, approximately 6.5 million were jobless in the Community.

The improvement in the situation ranged from 15.7 per cent in Denmark and 11.5 per cent in Germany to 1.7 per cent in Belgium and 2.3 per cent in Italy. In all countries except the Netherlands, the improvement also applied to unemployment rates for women.

Steel Price Rise Considered

As a result of improvements in the Community's troubled steel industry, the EC Commission intends to request an increase in steel prices this fall.

Steel exports have risen to the highest level since 1970, with the exception of 1974. However, internal demand is stagnant, and the industry continues to operate at only about 70 per cent of capacity. Nearly one-half of the Community's steel companies are expected to show a loss in 1979, nevertheless an improvement over 1978.

The recovery in steel demand is attributed not only to large orders from the motor industry and its subcontractors but also to a moderate increase in orders from the capital goods industry.

ENVIRONMENT

Pollution Laws Adopted

EC environmental ministers meeting in Luxembourg in late June adopted several measures to combat pollution and the spread of dangerous chemicals.

The new laws aim to protect groundwater by prohibiting the discharge of certain dangerous chemicals; to establish methods for measuring the quality of surface water used for drinking; and to set quality objectives required for shellfish waters.

In addition, a 1967 directive on the classification, packaging, and labeling of dangerous substances was amended to harmonize control of the introduction of new chemical substances into the Community. The measure will provide a basis for the Community's position in discussions with the United States on international harmonization of controls on toxic substances.

Industrial Accidents Fought

Preventing major industrial accidents is the objective of a recent EC Commission proposal for a directive on the hazards of certain industrial activities.

The directive, proposed in late July, aims to prevent major accidents and limit their effects on humans and the environment. The first part of the directive covers storage conditions of dangerous substances, requires safety reports, and provides for informing workers and the local public.

The second part deals with industrial activities involving particularly dangerous substances. Requirements include a detailed safety report from the manufacturer analyzing the reliability of the facilities, possible hazards, and necessary safety measures.

Ecological Balance Mapped

Future ecological accidents may be prevented thanks to an ambitious map-making project underway in Brussels. The map, which will take several years to complete, will outline in detail the ecological and environmental makeup of the entire Community.

Computerized data is being gathered from air, water, and other ecological monitoring stations for the environmental survey. The map may then be used to measure the effect of a new factory, construction project, or manufacturing change on the existing ecological balance in the region, and negative environmental changes may be avoided.

AGRICULTURE

Epizootic Disease Fought

Financing to help fight swine fever and hoof-and-mouth disease in Malta, Spain, and southeastern Europe was granted by the EC Council of Ministers in late May.

The EC Council of Ministers has granted 5 million European units of account (EUA) and EUA 10 million for combating swine fever in Malta and Spain respectively, and EUA 700,000 to eradicate hoof-and-mouth disease in southeastern Europe.

If introduced into the Community, these epizootic diseases could cause serious harm to member state cattle and pig herds.

Fishery Protection Financed

The EC Commission recently approved financing for ships and aircraft for fishery protection by Ireland and Denmark.

Ireland is to invest \$19.9 million in coastguard vessels, helicopters, and reconnaissance aircraft between now and 1982, \$14.6 million of which will come from the Community. The Danish investment of \$10.5 million includes \$6.9 million from the Community.

The Commission also decided in

mid-June to set up the Scientific and Technical Committee for Fisheries composed of member state scientists. The committee will be consulted on measures needed for protection of fishing grounds, conservation of the sea's biological resources, and their balanced exploitation—thereby helping to establish a Community system for the conservation and management of fishery resources.

New Farm Program Approved

The EC Council of Agriculture Ministers agreed in late June to increase agricultural prices for the 1979-80 marketing year by an average 1.5 per cent, except in the dairy sector.

Against the advice of EC Vice President Finn Olav Gundelach, in charge of agriculture, the ministers rejected a Commission proposal to tax milk production in order to reduce EC dairy surpluses.

"The Council showed it totally lacked the will to tackle the serious problem of farm surpluses and their budgetary consequences," said Gundelach. Community milk production has continued to rise, resulting in growing intervention stocks that require costly disposal measures.

In 1978 milk deliveries were up 4.9 per cent over 1977 and are projected to rise yet another 2.4 per cent in 1979. Butter and skimmed milk powder production, which increased by 8.7 per cent and 9.2 per cent respectively in 1978, will grow another 4 per cent this year, a Commission paper estimated in May.

Other features of the 1979-80 agricultural program include: a reduction in the positive monetary amounts that reduce differences in exchange rates; devaluation of certain "green" currency rates used by some member states to calculate their farm import prices, thereby increasing prices; an extension until March 31, 1980, for introducing the European currency unit into the common agricultural policy.

Budget Supplement Requested

Three weeks after presenting its 1980 draft budget, the EC Commission forwarded in July a letter of amendment requesting an additional 1.3 billion European units of account to finance the Council of Ministers' decision to raise 1980 agricultural prices.

The original budget proposal was based on the Commission's recommendation that 1980 agricultural prices be frozen at the 1979 level. As a result of the Council's decision, spending will increase by 14.3 per cent rather than the 13.1 per cent intended by the Commission.

The decision also undermines the Commission's attempt to decrease the agricultural portion of the budget in relation to other high-priority programs such as social and regional policies.

HARMONIZATION

Computer Network Planned

European researchers and scientists will soon be linked through a unique system for computerized data, the Direct Information Access Network for Europe (Diane).

"Diane" is to interconnect numerous national users and sources of information through the most advanced computer and telecommunications devices. The system will include data networks from Community countries with the future possibility of incorporating networks of non-Community countries.

Diane is to be part of the existing Euronet computer network sponsored by the EC Commission.

Air Transport Policy Debated

A memorandum to the Council of Ministers setting future policy objectives and suggesting measures to improve the market structure of Community air transport services was approved by the EC Commission in mid-June.

Four objectives are given: a complete and efficient network of air routes at the lowest possible prices; financial soundness for airlines with lower operation costs and increased productivity; safeguarding of the interests of airline staffs; improvements in the effect of air transport on the general public, such as environmental consideration and the rational use of energy.

Among measures to achieve these objectives, the Commission memorandum suggests fare reductions and more flexible services to stimulate passenger traffic, profitability, and competition within the industry. In turn, the European aircraft industry should profit from increased demand for aircraft.

Trade Regulations Reformed

The European Community took a significant step forward in the development of the common commercial policy in early June when two regulations governing imports into the Community came into force. The new regulations lay down common rules for imports from third countries belonging to the General Agreement on Tariffs and Trade (GATT) and from the state-trading countries.

Three improvements will result from the regulation dealing with imports from GATT countries. First, all EC products are brought within the framework of Community rules and procedures, whether or not they are on the common liberalization list. Member states may retain or introduce protective quotas subject to certain conditions until 1982, when such restrictions will fall under the normal safeguard procedure.

Second, the regulation provides for

clear indicators of import controls and safeguard measures, both national and Community. Finally, the list of liberalized products has been extended to include a large number of new products. Additionally, safeguard measures introduced by the Commission will no longer require the confirmation of the Council of Ministers unless challenged by a member state.

Regarding state-trading countries, the new regulation provides for changes in the rules for EC imports of liberalized products so that they will be in line with the amended rules for the GATT countries. Imports of goods not on the common liberalization list remain subject to a special set of rules.

Insurance to Be Coordinated

The EC Commission recently submitted a proposal to the Council of Ministers for a directive on the coordination of laws, regulations, and administrative provisions relating to insurance contracts.

The object of the directive is to harmonize the basic legal provisions in order to ensure equivalent protection for policyholders throughout the Community.

The proposal intends to harmonize basic provisions only, and in particular: the policyholder's obligation to declare the risk insured when concluding contracts; his obligation to reduce the loss in the event of a claim; the insurer's obligation to bear the costs thus incurred; and the term of the contract. Plans exist for more extensive coordination in the future.

Banking Policies Examined

More information concerning regulation of the Eurocurrency market is needed, according to EC Commissioner Christopher Tugendhat, in charge of financial institutions.

Speaking to a London banking conference this summer, Tugendhat noted increasing concern with the Eurocurrency market, which is an essential element in international borrowing and lending. He said that while the Community has no plans to deal specifically with the market, a proposed directive requiring consolidated accounts in the banking sector will apply to the Eurocurrency market, thereby increasing its transparency.

The Commissioner also noted the recent first meeting of the special Community banking advisory committee.

Duty-free Aids

To reduce the cost of aids for the handicapped, the EC Council of Ministers recently agreed to remove customs duties from special products for the deaf and blind.

The measure will apply to aids such as white canes, braille paper, and hearing devices. The only exception is when similar products are already manufactured in the Community.

SCHOLARSHIPS, GRANTS, CONFERENCES

Tech-Transfair '80

An international fair for technology transfer, Tech-Transfair '80, is to be held May 13-16 in Utrecht.

Tech-Transfair is a biennial event organized for executives active in the international field of technology exchange. Delegates from developing countries will attend the fair under a special program arranged by the United Nations Industrial Development Organization in cooperation with the Center for Promotion of Imports from Developing Countries.

In conjunction with Tech-Transfair '80, the International Conference on Management of Technology Exchange will be held as well as a meeting of the World Association of Industrial and Technological Research Organizations.

For further information, write: Royal Netherlands Industries Fair, PO Box 8500, 3503 RM Utrecht, The Netherlands.

Ispra Courses Scheduled

Seminars on energy and ecology are to be held in October under the 1979 course program of "Ispra," the establishment of the EC Joint Research Center in Italy which regularly sponsors specialized courses and seminars at the research level.

Modeling and simulation of ecological processes will be the subject of a seminar on October 1-5. The second seminar is entitled "Energy Storage and Transportation: Perspectives for New Technologies" and will be held October 22-26.

For further information and registration forms, write: Secretariat "Ispra Courses," Centro Comune di Ricerca, I-21020 ISPR (Varese) Italy.

Energy Systems Analyzed

One of the first international conferences in Europe on energy systems analysis, scheduled for October 9-11 in Dublin, is being sponsored by the EC Commission and Ireland's National Board for Science and Technology.

Industrialists, scientists, and energy experts will gather to study and assess the models and methodologies which are being developed in energy systems analysis and their applications in the formulation of energy policies. Energy systems analysis contributes to the assessment of future energy supply and demand policies.

The conference aims to review the present state of energy systems analysis as well as present the latest techniques, describe EC and other programs, ensure an exchange of expert views, and provide a forum for

discussion between decision makers and experts.

For further information, contact: The Conference Office, National Board for Science and Technology, Shelbourne House, Shelbourne Road, Dublin 4, Ireland.

Foreign Market Entry Strategy

A two-day seminar evaluating alternative entry strategies for foreign markets is offered by the Wharton School of the University of Pennsylvania. The seminar is to be held September 13-14 in Washington and October 18-19 in Chicago.

The program is designed for managers, analysts, and others who are involved in foreign market entry decisions. In its approach to international market entry strategies, the seminar also covers export marketing, licensing, and investment decisions.

For further information and registration, contact: Registrar—14th Floor, Wharton Conference Center, 360 Lexington Avenue, New York, NY 10017.

EC Training Periods Offered

The EC Commission offers in-service training periods to qualified candidates from universities and from the private and public sectors. The training periods last from three to five months and begin in mid-February and mid-September each year.

The purpose of the program is to familiarize trainees with European integration and the EC Commission and to enable them to acquire personal experience and to put their studies into practice. Special training periods are also organized for trainee interpreters.

Trainees are selected mostly from EC member states, although a limited number from nonmember states may be accepted. Applicants must be no more than 30 years old and must have completed at least four years of university study or its equivalent in practical experience. Training grants may be available.

For applications, write: European Community Information Service, 2100 M Street NW, Suite 707, Washington DC 20037.

Study Program in Germany

Internships and resident scholar programs are offered by the Conference Group on German Politics (CGGP), an independent voluntary organization of scholars devoted to the study of German affairs.

CGGP offers students, faculty members, and others interested in German affairs the opportunity of intensive

contact with German governmental or quasi-governmental agency operations. The organization also arranges conferences on social sciences and contemporary history.

For further information, contact: CGGP, PO Box 345, Durham, NH 03824.

International Tax Studied

International Tax Journal, a publication of Panel Publishers, is sponsoring three seminars on international taxation this fall.

A seminar entitled "Techniques for Generating Foreign Source Income" will take place September 17-18 in Los Angeles and October 15-16 in New York.

Repatriating foreign earnings at lowest tax cost is the subject of the second seminar to be held September 19-20 in Los Angeles and October 17-18 in New York.

The final seminar, in New York on October 19, covers year-end DISC planning.

To register, contact: Rosemary Greber, Seminar Registrar, International Tax Journal, 14 Plaza Rd., Greenvale, NY 11548.

Energy Saving Seminar

The EC Commission will sponsor an international seminar in Brussels entitled "New Ways to Save Energy" October 23-25.

The results of the Community's first five-year energy research and development program will be presented. Topics include energy conservation, new energy technologies and sources, and energy systems modeling.

For information, write: P. Zegers, Commission of the European Communities, Directorate General XII C 1, Rue de la Loi 200, B-1049 Brussels.

Europeanist Conference

"Economic, Cultural, and Political Challenges to the State" is the central theme of the Europeanist Conference to be held at the Shoreham-Americana in Washington, October 23-25, 1980.

Panels on "Regional and International Challenges to the State" as well as on "Internal Problems of Society as a Challenge to the State" have been proposed by the conference's program committee.

Proposed topics on the "International Challenge to the State" panel include: "European-wide Economic Policies and National Responses"; "The 1979 European Election and Prospects for European Integration"; "The Search for a European Foreign Policy"; "Transnational Interest Groups and Political Parties"; "European Energy Policies."

Scholars are invited to submit suggestions for participants, panels, and papers by October 15, 1979, to: Professor M. Donald Hancock, Department of Political Science, Vanderbilt University, Nashville, TN 37235.

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.

Doing Business in the European Community.

By J. S. N. Drew. Butterworth Publishers, Inc., Woburn, MA, 1979. \$26.95. Provides necessary information on the Community for businesses dealing in Europe; includes description of EC institutions and their functions, internal and external policies affecting business, and discussion of export and investment strategies; gives sources of further information.

The American Challenge. By J.-J. Servan-Schreiber. Atheneum Publishers, New York, 1979. 254 pages including index. \$5.95.

Paperback reprint of Servan-Schreiber's 1967 book on the impact on Europe of American economic, technological, and cultural penetration.

Policies and Programs for Expanding US Exports. International Division, US Chamber of Commerce, Washington, DC, 1979. 47 pages. \$5.00.

A report soliciting a plan for US export expansion; reviews present export initiatives as well as disincentives; proposes new policies and programs.

Le Droit Européen. Etienne Cerexhe. Editions Nauwelaerts, Leuven, Belgium, 1979. 362 pages. French text.

Describes the Community institutions and their functions with emphasis on the importance of understanding "European" law as well as national law.

Can We Get Back to Full Employment? By Maurice Scott with Robert A. Laslett. Holmes & Meier Publishers, Inc., New York, 1979. 148 pages including index. \$21.50.

Examines unemployment in Great Britain; explanations of its causes serve to pinpoint various reasons for the problem in other industrialized nations as well.

Compendium of Case Law Relating to the European Communities, 1976. Edited by H.J. Eversen, H. Sperl, J.A. Usher. North-Holland Publishing Co., New York, 1978. 561 pages including index. \$57.75.

English version of original French and German texts containing extracts from judgments of the Court of Justice in 1976; includes summaries of national court decisions and relates them to provisions of Community law.

Foreign Economic Relations of Turkey. By Dr. Erol Manisah. University of Istanbul, Istanbul, 1979. 108 pages.

Examination of Turkey's foreign policy including sections specifically dealing with Turkey-EC relations and the impact of EC enlargement on Turkey.

The European Parliament. By Gregg Myles. Impro, Belfast, 1979. Available from 101 Locksley Park, Belfast BT10 OAT. 80 pages. \$5.00.

A guide to the European Parliament describing its origins, organization and composition, powers, history of direct elections, and outlook on future issues; emphasis on the positions of the United Kingdom and Ireland.

A Common Man's Guide to the Common Market. Edited by Hugh Arbuthnott and Geoffrey Edwards. Holmes & Meier Publishers, Inc., New York, 1979. 213 pages including index. \$12.50.

Collection of papers describing the primary objectives of the European Community and the policies and mechanisms adopted to achieve these objectives.

Export of Aerospace Technology. Edited by Carl H. Tross. Available from Univelt, San Diego, California, 1978. 174 pages. \$20.00.

Proceedings of the fifteenth Goddard Memorial Symposium; includes examination of US policy regarding export of aerospace technology, national security, licensing, East-West and OPEC exchanges.

State and Society in Contemporary Europe. Edited by J.E.S. Hayward and R.N. Berki. St. Martin's Press, New York, 1979. 269 pages including index. \$22.50.

Examines the changing relationship between the state and society in Western and Eastern Europe with emphasis on the international context; discusses the roles of the Community and Comecon.

Government Controlled Enterprises. By Renato Mazzolini. John Wiley & Sons, New York, 1979. 400 pages including index. \$31.50.

An analysis based on over 300 interviews in the Community of the behavior on government-controlled enterprises in regard to their international strategies and policy decisions.

The Development, Role and Effects of Green Money in a Period of Economic Instability. By C. Mackel. North of Scotland College of Agriculture, Aberdeen, 1977. 31 pages.

Traces the development of the EC agricultural unit of account in the early 1960's and follows its progress through the economic pressures of later years and the introduction of the monetary compensatory amount system.

Irish Elections 1918-1977. By Cornelius O'Leary. St. Martin's Press, New York, 1979. 134 pages including index. \$19.95.

A complete history of elections in Ireland between 1918 and 1977; analyzes campaigns, results, and political consequences of each election; examines electoral system of proportional representation and its effects on party behavior and voting patterns.

Economic Reform in East German Industry. By Gert Leptin and Manfred Melzer. Oxford University Press, New York, 1978. 200 pages including index. \$32.00.

Presents basic elements of the German Democratic Republic (GDR) "New Economic System" in 1970 and analyzes its subsequent failure; explores the GDR economy during 1971-75.

European Demography and Economic Growth. Edited by W.R. Lee. St. Martin's Press, New York, 1979. 413 pages including index. \$27.50.

Collection of essays surveying demographic development of individual European economies since the mid-Eighteenth Century.

Una Moneta per l'Europa. Istituto Universitario di Studi Europei, Torino, Italy, 1978. 103 pages.

Collection of papers on problems and prospects of monetary union in Europe; contributors include Roy Jenkins, Pierre Triffin, Dieter Biehl, Guido Montani; text in Italian.

The European Communities: A Guide to Information Sources. By J. Bryan Collester. Gale Research Company, Detroit, 1979. 265 pages including index. \$22.00.

Annotated bibliography citing some 1,400 sources of information on the European Communities, particularly concerning political aspects of European integration; includes author and subject indexes.

Ireland: From Colony to Nation State. By Lawrence J. McCaffrey. Prentice-Hall, Inc., Englewood Cliffs, 1979. 214 pages including index. \$7.95.

Follows the course of Irish history from 1691 to the present; suggests that Ireland's historical experience is a preview of upcoming struggles by today's less developed countries which are fighting imperialism and colonialism.

The United Nations: How It Works and What It Does. By Evan Luard. St. Martin's Press, New York, 1979. 187 pages including index. \$18.95.

Describes the operation of the United Nations and its role in the international political system; conclusion examines how the institution could be more effective in the modern political world.

"Looking for Europe," *Daedalus*. American Academy of Arts and Sciences, Boston, Winter 1979. 210 pages. \$4.00.

Collection of essays dealing with questions on the direction of Europe; addresses current internal issues, as well as external policy questions, of the Community; presents general assessment of Europe's condition as uncertain and problematic.

Western Energy Policy. By Douglas Evans. St. Martin's Press, New York, 1979. 198 pages including index. \$18.50.

Presents analysis of global energy market and assessment of energy policies of the United States, Britain, and Germany; includes a brief survey of EC energy coordination; the conclusion surveys prospects for global energy in the future and appraises long-term US policy.

The International Essays for Business Decision Makers. Vol. III. Edited by B. Winchester. AMACOM, Houston, 1978. 270 pages including index. \$17.95.

Collection of essays presenting different aspects of developments in international business; central theme suggests potential danger of increasing economic nationalism and protectionism.

Published for the Community

Copyright Law in the European Community. By Adolf Dietz. Sijthoff & Noordhoff, Alphen aan den Rijn, 1978. 333 pages. \$47.50.

Comparative review of copyright legislation in the nine member states with special reference to the provisions of the Treaty.

Science and the Second Renaissance of Europe. By André Danzin. Available from Pergamon Press, New York, 1979. 126 pages. \$16.00.

Survey discussing the role of science and technology in meeting the challenges Europe faces; suggests a plan for developing a European R&D program for the future.

Calving Problems and Early Viability of the Calf. Edited by B. Hoffmann, I.L. Mason, J. Schmidt. Available from Kluwer, Boston, 1979. 593 pages. \$68.45.

Seminar in the EC Program of Coordination of Research on Beef Production held at Freising, Germany,

Further Essays on Applied Economics. By Nicholas Kaldor. Holmes & Meier Publishers, New York, 1979. 244 pages including index. \$21.75.

Collection of economic essays divided into three parts dealing with money and international equilibrium, the economics of development, Britain and the Common Market.

Protecting and Profiting from Trade Secrets. By Roger M. Milgrim. Practising Law Institute, New York, 1979. 472 pages. \$20.00.

Course handbook prepared for use at "Protecting and Profiting from Trade Secrets" in New York and San Francisco, March 1979; provides information on patents, license provisions, trademarks; includes special section on industrial property and patent licensing in the European Community.

Traité de Droit social européen. By J.-J. Ribas, M.-J. Jonczy, and J.-S. Séché. Presses Universitaires de France, Paris, 1978. 802 pages.

Complete social law of the European Community, covering issues such as free movement of labor, social security for migrants, and European Social Fund; preface by Robert LeCourt of the Court of Justice; text in French.

Germany at the Polls: The Bundestag Elections of 1976. Edited by Karl H. Cerny. American Enterprise Institute, Washington, DC, 1978. 252 pages including index. \$4.95.

Examines the 1976 elections of the major legislative organ in the German parliament, the Bundestag; includes essays on the development of the German political party system and on the electoral system, major parties, public opinion, and the media.

May 4-6, 1977.

Fission Gas Behaviour in Nuclear Fuels. Edited by C. Ronchi, H. Matzke, J.v.d. Laar, H. Blank. *European Applied Research Reports*, Vol. I, No. 1. Harwood Academic Publishers, New York, 1979. Annual subscription: \$280.00. Individual volumes: \$73.50.

Proceedings of the workshop held at the Joint Research Center, Karlsruhe Establishment (European Institute for Transuranium Elements), Germany, October 26-27, 1978.

Alloy 800. Edited by W. Betteridge, et al. Elsevier North Holland Publishing Company, New York, 1978. 478 pages.

Proceedings of the Petten International Conference held March 14-16, 1978, in the Netherlands; organized by the EC Commission Directorate-General for Research, Science, and Education and by the Petten Establishment of the Joint Nuclear Research Center.

Publications Available

Publications listed may be obtained from the European Community Information Service, Suite 707, 2100 M Street, NW, Washington, DC 20037.

Persons in the New York area can order copies from the European Community Information Service, 245 East 47th Street, New York, New York 10017.

The European Community's Budget. *European Documentation* No. 1/79, Commission, Brussels, 1979, 37 pagesfree
Brochure on the EC financial system covering its historical development, the budget procedure, revenue and expenditure, and the Court of Auditors.

The Agricultural Policy of the European Community. *European Documentation* No. 2/79, Commission, Brussels, 1979, 38 pages ...free
Second edition of a pamphlet describing the main provisions of the common agricultural policy.

The Directly Elected European Parliament: First Session. *European Community News*, No. 25/79, Press and Information Service, Washington, DC, July 11, 1979, 11 pages ...free
List of the newly elected members of the European Parliament by party and nationality; breakdown by party of the votes cast in each country.

European Investment Bank Annual Report 1978. European Investment Bank, Luxembourg, 1979, 84 pagesfree
Summary of the bank's operations in 1978 both within the Community and in nonmember countries; includes the bank's balance sheet and profit and loss account.

1979-1980 Agricultural Prices and Program Approved. *European Community News*, No. 24/79, Press and Information Service, Washington, DC, July 5, 1979, 8 pagesfree
Outline of the principal Council decisions for the 1979-80 agricultural marketing year; complete list of prices, by product, for 1978-79 and 1979-80 are annexed.

Signature of the Treaty of Accession Between Greece and the Community. *Information Memo P-50/79*, Commission, Brussels, May 1979, 14 pagesfree
Summary of the provisions of the accession agreement with Greece, history of the negotiations, and general discussion of EC-Greece relations since 1962.

European Council Sets Oil Import Limit. *European Community News*, No. 21/79, Press and Information Service, Washington, DC, June 27, 1979, 6 pagesfree
Full text of the European Council communiqué issued after the meeting in Strasbourg, France on June 21 and 22; covers direct elections, European Monetary System, energy, the economic situation, trade with Japan, and Indochina refugees.

Report on the Form, Status, Context and Application of the Code of Conduct for Community Companies with Subsidiaries, Branches or Representations in South Africa. *Working Document* No. 70/79, European Parliament, Luxembourg, April 17, 1979, 58 pagesfree
Report by Pierre Lagorce for the Committee on Development and Cooperation on the drafting and implementation of the code of conduct and the need for a Community approach to South Africa and the policy of apartheid.

The Stage Reached in Aligning Labour Legislation in the European Community. Economic and Social Committee, Brussels, 1978, 58 pagesfree
Surveys the Community's work in aligning labor legislation, setting out achievements, current measures, and failures.

EEC-Syria Cooperation Agreement. *Europe Information: Development*, Commission, Brussels, 1978, 37 pagesfree
Details the trade measures of the EEC-Syria agreement including agricultural concessions, rules of origin, and the Syrian import regime; outlines the provisions on technical and financial cooperation.

EEC-Jordan Cooperation Agreement. *Europe Information: Development*, Commission, Brussels, 1978, 35 pagesfree
Details trade measures of the EEC-Jordan agreement including agricultural concessions by product, rules of origin, and the Jordanian import regime; outlines the provisions on technical and financial cooperation.

The European Programme for Controlled Nuclear Fusion. *EUR 6269 EN*, Commission, Brussels, 1979, 16 pagesfree
Description of the JET fusion research program and the importance of fusion energy for Europe.

The Energy Situation in the Community: Situation 1978, Outlook 1979. Commission, Brussels, 1978, 19 pages\$.85
Review of the energy economy as a whole and by individual energy sector.

Annual Investments in Fixed Assets 1973-76. Statistical Office, Luxembourg, 1978, 235 pages\$15.00
Results of the coordinated annual inquiry into capital investments in industry.

The European Social Budget 1980-1975-1970. Commission, Brussels, 1978, 183 pages\$16.70
Presents projections for social expenditure and receipts in 1980 and looks at spending in each principal policy sector: employment, health, old age, and family benefits; compares with 1970 and 1975.

Regional Development Programmes: Denmark. *Regional Policy Series No. 12.* Commission, Brussels, 1979, 68 pages\$2.90
Overall regional policy program of the Danish government, submitted to the Commission in accordance with the provisions of the Regional Development Fund.

Regional Development Programme: Ireland 1977-1980. *Regional Policy Series No. 7.* Commission, Brussels, 1979, 130 pages\$5.80
Overall regional development program of the Irish Government, submitted in accordance with the provisions of the Regional Development Fund.

Comparative Tables of the Social Security Systems in the Member States of the European Communities: General System, Tenth Edition. Commission, Brussels, 1978, 126 pages\$6.50
Situation at July 1, 1978; provides tables with descriptive comparisons of the benefits under each major category: health, sickness, maternity, invalidism, old age, survivors, employment injuries, family benefits, and unemployment; also describes the organization and financing of social security.

Practical Guide to the Use of the European Communities' Scheme of Generalized Tariff Preferences. Commission, Brussels, 1979, 274 pages\$16.00
Part one is a description of the basic elements of the Community's scheme; part two lists, product by product, the preferential advantages for developing countries.

Pharmaceutical Consumption: Trends in Expenditure, Main Measures Taken and Underlying Objectives of Public Intervention on this Field. *Social Policy Series No. 38.* Commission, Brussels, 1978, 102 pages\$11.70
Analysis of expenditure trends on pharmaceuticals for the period 1965-75 and the impact of changes in prices, volume, and other variables on expenditure; description of public measures liable to influence expenditure trends.

Control of Securities Markets in the European Economic Community. *Competition-Approximation of Legislation Series No. 31.* Commission, Brussels, 1977, 214 pages\$5.20
Synthesis of a comparative law study of the regulatory systems for controlling securities markets in the member states.

Equality of Education and Training for Girls (10-18 Years). *Education Series No. 9.* Commission, Brussels, 1979, 92 pages\$2.10
Investigates the extent, character, and causes of inequality of opportunity as they arise in the education and training of girls in the member states; suggestions made on a strategy for intervention by educational authorities, with an emphasis on the problem of aggregation of inequality.

Open Discussions on Nuclear Energy: Summary. EUR 6031 EN, Commission, Luxembourg, 1978, 27 pagesfree
English summary of the hearings on nuclear energy organized by the Commission in Brussels November 29-December 1, 1977 and January 24-26, 1978; the full text, with statements reprinted in their original language only, is available for \$7.20.

The Future of Publishing by Scientific and Technical Societies. EUR 6109 DE/EN/FR. Commission, Luxembourg, 1978, 296 pages\$14.00
Texts of papers presented and summaries of discussions during a two-day seminar on the future of publishing by scientific societies, held in Luxembourg, April 3-4, 1978.

Method of Calculating the Cost of Electricity Generation from Nuclear and Conventional Thermal Stations. EUR 5914 EN, Commission, Luxembourg, 1979, 89 pages\$8.80
A model for the presentation and calculation of production costs of electrical energy at the output terminals of nuclear and conventional power stations; forecast costs for power stations under construction are considered.

Chemical and Physical Valorization of Coal. EUR 6075 DE/EN/FR, Commission, Luxembourg, 1978, 234 pages\$16.20
Papers and proceedings of a round table meeting in Brussels, November 8-9, 1977.

Econometric Models Presented to the Beef-Milk Symposium. EUR 6101 EN, Commission, Luxembourg, 1979, 372 pages\$18.00
Papers given at a symposium in Brussels, March 15-16, 1977.

Steel Standards Glossary. Commission, Brussels, 1978, 720 pages\$22.00
French, English, German, Italian, Dutch, Danish glossary of terms contained in EURONORMS and national standards specifying quality and shape requirements for steel products.

The Little Citizens of Europe. Commission, Brussels, 1979, 20 pagesfree
Booklet prepared for the International Year of the Child. Discusses Community policies in the fields of poverty, migrants, education, environment, consumer affairs, and health; relates them to their impact on children.

Joint Programmes of Study: An Instrument of European Cooperation in High Education. *Education Series No. 7.* Commission, Brussels, 1978, 198 pages\$6.70
Progress report on the first years of operation of the Community scheme of grants for the development of joint programs between institutions of higher education in different member states.

European Union: Annual Reports for 1978. *Bulletin of the European Communities, Supplement No. 1/79.* Commission, Brussels, 1979, 14 pagesfree
Reports by the foreign ministers and the Commission to the Council of Ministers on the results achieved in various areas of integration.

The European Council of Ministers: Who's That? *Staff Courier No. 397.* Commission, Brussels, December 4, 1978, 44 pagesfree
Description of the organization and decision-making process of the Council of Ministers.

EEC-ACP Trade Relations. *Europe Information.* Commission, Brussels, December 1978, 30 pagesfree
Outline of the trade policy pursued by the Community under the Lomé convention; statistical annex on EC-ACP trade 1974-1978.

European Regional Development Fund: Third Annual Report (1977). Commission, Brussels, 92 pages \$9.20
Report on the financial management of the fund; projects funded, and member state regional development programs.

Bibliography on Community Relations with the Mediterranean Countries. *Documentation Bulletin B/14.* Commission, Brussels, 1978, 132 pages\$1.15
Bibliography of official texts and Community publications along with non-Community publications on EC arrangements with the Mediterranean countries.

Bibliography on Promotion of Consumer Interests, Volume 1. Commission, Brussels, 1978, 41 pages\$1.15
Selection of general publications in all six official Community languages on the protection of consumer interests.

The Cooperation Between Firms in the Community: Franchising. *Studies Series: Commerce and Distribution No. 5.* Commission, Brussels, 1978, 26 pages\$4.00
Study assessing the advantages and disadvantages of franchising as a form of cooperation between small and medium-sized firms, and member state attitudes toward franchising.

European Investment Bank



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