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# EUROPE

MAGAZINE OF THE EUROPEAN COMMUNITY



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# PUBLISHER'S LETTER

**P**rotecting the environment has become a central issue in international relations over the past few decades. National boundaries provide no protection against toxic spills, acid rain or radioactive fallout. In Europe, where the bigger countries are smaller than many U.S. states, international legislation on the protection of the environment has made substantial progress thanks to the existence of the European Community.

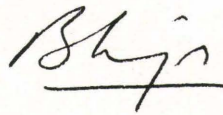
To inaugurate the European Year of the Environment, the E.C. Council of Ministers took a long walk in the woods, before adopting three important pieces of legislation.

If they were not too busy looking at the top of the trees for signs of acid rain or other pollution, the Ministers were doubtless very careful not to step on empty aluminum cans, to mention only the "cleanest" rubbish that decorates the forests and countryside of our industrialized countries as a sign of civilization.

Protecting the environment is primarily the task of government, for it alone has the power to control the more aggressive threats such as industrial pollution or the disposal of nuclear waste. Nevertheless, individuals also have a role to play if they want to save their environment—and that means not only the natural surroundings, but also the cities in which they live.

The importance of the individual can never be stressed enough for any political construction such as the European Community. In this issue, we report on a poll taken recently among European citizens. It is interesting to see how different their perception of the construction of Europe is from what politicians would have us believe. Indeed, neither a country nor the E.C. should govern with polls. But in this particular case, it is comforting to see that the concept of a "United States of Europe" still has a meaning for a majority of Europeans.

The dark side of the poll, however, is that the younger generation appears to be rather disillusioned by the Community. Restoring their faith in its future should be in the first order of priorities for the E.C.'s institutions if they do not want the Community to become another good idea whose time came and went.



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# AROUND THE CAPITALS



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## PARIS

### Mickey Mouse In France

**M**ickey Mouse is coming to France. After almost two years of tough negotiations, the French Government recently signed an agreement with the Walt Disney Company to create the first Disneyland in Europe, and aficionados of Mickey, Minnie and Donald Duck are lining up with staid bankers and eager politicians to claim victory.

Construction will begin early next year on "EuroDisneyland" some 30 kilometers east of Paris. By the time the theme park opens in 1992, its 4,800-acre site will include hotels and conference centers, shopping malls, office towers, golf courses, luxury housing and, of course, the park that Disney officials promise will "be like the marvelous moment when Alice steps through the looking glass."

The previous Socialist Government had launched the battle to lure the Disney investors to France (beating out the main competing site in Barcelona), and the current Conservative Government has put almost as much effort into finalizing the details of the deal, which nearly floundered on a disagreement over legal recourse in the case of disputes between the American company and the French government. But, as the politicians recognized, "EuroDisneyland"

was no mere incarnation of American cartoon characters: It promised to be such a big business deal and so advantageous for all involved that the French Parliament finally changed its own legislation so that any disputes on government investment could automatically be submitted to international arbitration.

There will be more than 10 billion francs (currently about \$1.6 billion) worth of private investment, to which the French Government will contribute another 2 billion francs in direct investment. France will also provide a new highway network and a spur of the high-speed suburban train system to link the park to Paris.

A further incentive for the politicians was the fact that the park will ease France's 11-percent unemployment rate by putting an estimated 20,000 people to work during construction on the site and create 30,000 permanent jobs once the project is complete. Projections are for 10 million visitors a year, each paying 120 francs entrance fee to the theme park. Disney executives wrested the French Government's agreement to charge only 7 percent sales tax instead of the usual 17.6 percent in order to keep the price of admission down. More than half the visitors will come from

other countries, spending 4 billion francs annually on their visit to France.

The total investment over the 30 years it will take to build the whole project will amount to about 45 billion francs, or, as one French official noted, "one and a half times the projected investment on the cross-Channel Tunnel." It is the largest single foreign investment ever in France's history and only the beginning of what the French Government hopes will be much more American investment in France.

Lest it appear that the French are selling out their culture for the sake of what appears to be an unbeatable business venture, there was one clause in the agreement referring to the content of the theme park that made headlines. The clause calls for French and European culture to be reflected in the exhibits, and French culture custodians are hoping plans will materialize for an "Island of Discovery" in the spirit of Jules Verne's *Around the World in 80 Days* venture. There will also be a cartoon depiction of French history, and sign posts will be mainly in French.—BRIGID JANSSEN

## BRUSSELS

### Heroic Rescuers

**T**he capsizing of the giant British car-ferry, the *Herald of Free Enterprise*, in calm seas barely a mile out of its port in Belgium and the subsequent loss of perhaps 200 lives received much attention in the press worldwide. Much less was said and written about the extraordinary response of the Belgian rescue services, whose efforts to save lives were remarkable: Within seven minutes of a distress call being broadcast, Belgian coastguard helicopters were flying over the stricken vessel. Within 10 minutes, local hospitals were preparing emergency services,

and less than 15 minutes after the first warning, ambulances and rescue staff were deployed along the walls of the harbor in Zeebrugge.

British Prime Minister Margaret Thatcher, upon visiting the scene of the accident, was deeply impressed: "The speed and efficiency of the Belgian response was outstanding. I can't thank them enough. They have saved many, many lives and we shall always be grateful," she said.

There were more reasons for Britain to be grateful as the tragedy unfolded. I was among a group of British correspondents at the St. Jan hospital in Bruges where many survivors had been taken. When a London reporter asked whether a group of about 20 local Belgians waiting outside the hospital was there out of curiosity, the hospital's chief of nursing informed him that, on the contrary, they had come to give help, food, shelter and even



blood. Other survivors, suffering from mental anguish, were taken into private Belgian homes. A Bruges doctor told me that he had taken home a woman with two children who had been plucked out of the sea by harbormen and put in an emergency ward on the quayside. "They were not hurt, but they were frightened, very frightened," he said.

In Britain there has been a surge of admiration for the Belgians in their response to the disaster. "What sticks in one's mind, upon returning home, is the immense calm and dignity of the people of Zeebrugge in the face of that tragedy," wrote a columnist in the *Daily Telegraph*. The *Times* said that "Belgium has shown itself to be masterful in the handling of a disaster that it could in no way or at any time have anticipated." The *Sun* newspaper, many of whose readers were on the ferry because of a newspaper promotion, wrote that

they found "angels of mercy in ordinary citizens and we thank them from the bottom of our hearts."

The widespread praise given to the Belgian authorities and to local citizens has served to stem much of the criticism that has been directed against Belgium for not coping better with the Heysel football tragedy two years ago. No one doubts that the chief cause of the Heysel disaster, in which 39 Italian football supporters died, was the behavior of British hooligans, but there has been some feeling that more could have been done to avoid the confrontation by partitioning spectators and controlling the crowds more effectively.

Most foreign correspondents who covered the Zeebrugge tragedy were impressed by the efficiency of the Belgian police and other public authorities. The result is certainly higher esteem for Belgium.—ALAN OSBORN

## MADRID

### Church vs. State

Is Spain's Catholic Church, which played a major role in helping to smooth the peaceful transition to democracy, now reverting to more traditional conservative attitudes? Will the church thereby lose influence, its most valuable asset, among today's generation of Spaniards? Such questions are being widely asked in Spain after the recent election of Cardinal Angel Suquia, the 70-year-old conservative-minded archbishop of Madrid, to the role of chairman of the Spanish Bishops' national conference, a post he will hold for the next three years.

There is no doubt that Suquia, born one of 17 children

of a poor Basque farmer, is an emphatic upholder of what he calls the legitimate authority of the Pope. After his election, he told the Spanish press that he was proud to be called "the man of Rome," a title that clearly expresses his widely perceived closeness to Pope John Paul II, ever since the Papal visit to Spain in 1982.

Suquia was Archbishop of Santiago de Compostela at the time of that visit, where the Pope's long-standing fascination with Spain, and his conviction that that country's deep Catholic roots closely resembled those of his own native Poland, reached a climax. A promotion for Suquia to Madrid, and the Cardinalcy, quickly followed. His recent election to head the Bishops' national conference was also on the clearly expressed wishes and recommendations

**The speed and efficiency of the Belgian rescue services during the *Herald of Free Enterprise* disaster has earned the country gratitude and esteem abroad.**



© REUTERS/BETTANN NEWSPHOTOS

of the Vatican.

Nevertheless, the election clearly indicated that a majority of Spain's bishops cautiously prefer the middle ground to the more traditional and conservative mindset: All other officeholders of the national conference reflected this moderate trend rather than the winds blowing from Rome.

This stance seems to be mirrored also in the attitudes of the general population. A recent Gallup poll survey of churchgoing habits showed that, compared to other West European countries, Spaniards fell behind the Catholics of Ireland, Portugal and Italy when asked about the importance of God in their lives. While 94 percent of those questioned said they were Catholics, only 42 percent confessed to being practicing Catholics (with varying degrees of intensity) and 30 percent regarded themselves as non-practicipants. The poll concluded that the modern phenomena of prosperity and the welfare state had the upper hand over religious ideals, with the acceptance of divorce and abortion as especially conspicuous signs of this secular trend.

The advent of democracy in Spain has deeply changed the role of the Catholic Church in political everyday life. Cardinal Enrique y Tاراcon, a very charismatic and liberal figure, who headed the church during the last years of the Franco regime and the country's transition to democracy, refused to let the church's influence be utilized by any political party. This led to interesting voting patterns, with Spanish Christian Democratic groups having scant success at the polls. Thanks to Cardinal Tarancon's proclaimed division between the church and state, the Socialists were voted into office twice in a row, in 1982 and again in 1986, by a largely Catholic population, and with large majorities.

On this crucial issue, Cardinal Suquia treads with characteristic circumspection. He clearly senses the need to respect the Tarancon tradition, but confesses a wish to see a

vigorous political party based on Christian humanism existing "among several other parties." He astutely noted the absence of a personality on the Madrid scene to lead such a party, however.

The Cardinal came in as chairman emphasizing that relations between church and state must be based on mutual respect and collaboration. The Papal Nuncio in Madrid, intervening before the church election, had complained that a dialogue with the González Government had produced very poor results, due, he said, to the Socialists' ideology.

Despite such criticism, however, it is unlikely that the new leadership of the Spanish church will embark on a confrontation course with the Madrid Government. The reason for this lies in its financial situation. For, while Spain's Catholic Church may be rich in historic treasures, the same cannot be said of its cashflow situation.

While there are congregations on the road to financial self-sufficiency—such as the Catholic Church in Catalonia, which is collecting about 70 percent of its income from the congregations directly—there are congregations less generous that depend heavily on

state assistance, largely to pay the clergy's salaries. This year, the amount involved is estimated at about \$105 million.

Included in a 1979 church-state agreement concluded between the new Spanish democracy and Rome, however, was the possible introduction of a so-called religious tax, under which taxpayers would allocate a small percentage of their assessed taxes either to the Catholic Church, any other confession or, if they chose, to charity. The church may now well be worried that, if the Socialists go ahead with a targeted introduction of this tax within the lifetime of the present Parliament, due to end in 1990, it could face an army of reluctant taxpayers among the faithful.—RICHARD WIGG

## ATHENS

### The Ancient Greek Pets

**D**ogs, it seems, formed an integral part of everyday life in ancient Greece, and as historical research and archaeological findings prove, were kept not only for hunting and guarding flocks, but also as children's pets. They fre-

quently appear on classical vases and on marble sculptures, where they are sometimes shown as the faithful hound on a young man's tombstone. Indeed, this sentimental relationship between man and dog can be traced right back to Homer's epic writings, such as the *Odyssey*, in which Ulysses' favorite hunting dog immediately recognizes his master after a 20-year absence from Ithaca before dying.

An American classics expert who breeds dogs in her spare time, is tracking the role of dogs in ancient Greece through both literature and illustration. Professor Linda Collins Reilly has so far identified three discernibly different breeds of dog, an elegant hound that recalls the whippet, a heavyset watchdog similar to a modern mastiff and a small bushy-tailed white lapdog.

Most experts believe that all domestic dogs are descended from wolves, which were first tamed sometime in the Stone Age. Young wolves' bones appear in piles of kitchen rubbish excavated in Greece that date back to the Neolithic period. And while archaeologists often toss aside small bones found in their digs, Professor Reilly says that anatomists can easily distinguish between wolf and dog skeletons from differences in their jaw and skull bones. On the evidence of such findings, dated somewhere around 6,000 B.C., it seems that the ancient Greeks stopped eating wolf cubs and began to keep them as domestic help. Indeed, by 2,000 B.C., dogs in Minoan Crete were wearing collars, and in the heyday of the Mycenaean culture in the late second millennium, frescoes of dogs and wild boar decorated the palaces of local rulers.

The most frequently illustrated ancient Greek dog is the Laconian hound, noted for its long muzzle, small erect ears and thin curling tail. Used for hunting hares, deer and wild boar, it was apparently an essential part of upperclass Athenian life: So much so, in fact, that the 4th-century B.C. historian Xenophon wrote a treatise

The Cathedral in Santiago de Compostela.



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PHOTO BY ATHENIAN

**The Laconian hound, noted for its long muzzle, erect ears and curling tail, is the dog most frequently found in ancient Greek illustrations.**

tise on hunting that included detailed advice on breeding, feeding and training hounds.

Xenophon clearly had a breeder's eye for a hound's proportions and temperament. He thought such details as a jaunty expression and patches of white on black and tawny dogs were essential, and even advised on suitable names for members of the pack. They should be short and sound distinctive, he wrote, so that the huntsmen could easily catch their attention in the heat of the chase. Among the suggested list of names, there are several that indicate the personality of an ancient hound: "Hubris" (arrogance), "Lelaps" (whirlwind) and "Poleus" (rover).

When it came to watchdogs, the ancient Greeks favored a shaggy, deep-chested breed known as the Molossian hound. People, not dogs, herded sheep and goats, so the ancient sheepdog's job was to fend off wolves and other predators with the help of his weight and broad muzzle. And, last but not least, there was the little white lapdog. Although not identified by name, it appears on hun-

dreds of 4th-century B.C. Athenian vases, usually together with a portrait of a chubby toddler. It is shown with short legs, a pointed snout and long fluffy tail. Since such illustrations on the vases are so numerous, Professor Reilly suspects the lapdog may have featured in a special religious cult that involved children.—KERIN HOPE

## DUBLIN

### Tribute to FitzGerald

**T**he day after he had handed over the political leadership of the country to his Fianna Fail rival, Charles Haughey, former Prime Minister Garret FitzGerald suddenly stepped down from the leadership of the Fine Gael party. The move took everyone, except for his immediate family, by surprise. Once the shock of the departure of "Garret," as he is universally known, had subsided, the tributes to one of the country's outstanding

statesmen poured in from all over Ireland, all the E.C. member states—where he enjoyed tremendous prestige—and from further afield, including the United States.

Observers of the Irish political scene could not recall such an outpouring of acclaim and praise for a politician who was still living and, indeed, some of the lavish newspaper coverage of the event smacked of the "obituaries" that are held in reserve for the passing away of the great. However, at 61 years of age, FitzGerald is still brimming over with intellectual energy and curiosity, and the position he has taken up on the backbenches of the Dail as an ordinary Member of Parliament will clearly not provide him with the outlet he needs.

Ten years at the head of Fine Gael, including five years as Head of Government during one of the country's most difficult economic situations, took their toll. At times during the election campaign, which resulted in heavy losses for Fine Gael, he looked exhausted. There was surprise when he conceded defeat to Haughey well before the final results were available, which showed that Fianna Fail had failed to obtain an overall majority.

It was clear to FitzGerald that Fine Gael's disastrous loss of 19 seats ensured that he would not be heading the next Government, and he saw little point in postponing the inevitable. Few apart from his family knew that he had already decided to give up the leadership. Under rules he had introduced himself, he would have had to submit to a vote of confidence of his parliamentary colleagues several weeks later. Although there was criticism of the tactics used to fight the election and of his decision to divert party energies to fighting an unsuccessful referendum on divorce last year, there was no doubt that he would have been confirmed as leader until the next election.

In his resignation statement, FitzGerald said frankly that it would not be beneficial for the party or the country if he

stayed on to try and lead Fine Gael into the next election. This, he stressed, was a task for a new leader and now was the time to let him or her begin preparing. Those with long memories recalled that when FitzGerald had taken over the leadership in 1977 in somewhat similar circumstances after Fine Gael had been trounced at the polls and Liam Cosgrove had abruptly resigned, he had said he would give the job 10 years. Unlike other political leaders, who keep putting off the moment of their departure, FitzGerald was serious.

He can look back on a remarkably full political life. No other Irish politician could say he had both a mother and a father in that hallowed shrine of modern Irish nationalism, the General Post Office, during the Easter rising against British rule in 1916. His mother was from a Protestant Unionist background, and his father was a southern Catholic, but they both became enthusiastic supporters of the nationalist movement and were ready to die for it if necessary. Their son dedicated much of his political life to working for the peaceful unification of the two traditions that his parents resented, and the Anglo-Irish Agreement of November 1985 is widely held to be his outstanding achievement.

He was also a pioneer in Ireland for European union and for membership in the European Community. He saw membership of the wider European grouping as helping to move Ireland away from its narrow fixation on relations with the United Kingdom and at the same time helping to abolish gradually the political border in Ireland through the economic integration offered by the Community. His period as Foreign Minister between 1973 and 1977—Ireland's early years in the E.C.—was a glorious opportunity to achieve some of the goals about which he had been writing as a committed journalist since the early 1960s. In his own words, this was one of the happiest

and most satisfying periods of his life, and even his political opponents agree that the first Irish presidency of the E.C. Council of Ministers under FitzGerald in 1975 won a reputation for Ireland among the Community partners that was the envy of other countries.

Although economics was his best-loved subject, and his commentaries on the Irish economy in the *Irish Times*, before he entered politics, were required reading for all those interested in public affairs, FitzGerald found the country's economic problems virtually unsolvable when he eventually became Head of Government. The foreign borrowing he pledged to reduce kept rising, the unemployment he promised to cut reached record heights and emigration, which was identified with the worst period of economic depression in the 1950s, returned to drain away the young lifeblood of the country. Inflation was successfully tackled, but at a high price in economic stagnation.

The pluralism FitzGerald sought to bring into the strongly Catholic and conservative Ireland in which he had

grown up, as part of a "crusade" to make the Republic more attractive to the North, also ran into obstacles, most notably when the divorce referendum was defeated. But he was admired for what he was trying to do even by those who felt he lacked the political *nous* to do it successfully in an Ireland where deviousness is often necessary to win.

He will be missed.—JOE CARROLL

## ROME

### Romagna Holiday

**T**he Emilia-Romagna region of Italy, situated in the north of the country and neatly nestled between the Adriatic Sea, the Po River and the Appenine mountains, can boast such a variety of historical, cultural and culinary attractions that a visit is virtually a must for any traveler to Italy.

The history of the region dates back to the Etruscans, who first settled the area in the fourth and fifth centuries B.C. The ancient Roman road, Via

Aemilia, was built in 187 B.C., and it is from this road, which stretched all the way from the Adriatic to the upper Po River, that the region derived the first part of its name; the "Romagna" was added in 1948. It has a most colorful history, coming under Roman rule in 190 B.C., witnessing the subsequent Barbarian invasions, the papal and feudal wars and upheavals during the Middle Ages, Austrian domination, the Napoleonic Wars and, finally, Italian unification in the last century.

All this has left a distinct mark on the region and its cities, which proudly display their historical background and architectural splendors. Foremost among them must rank Bologna, the capital of Emilia-Romagna, which is, indeed, its focal point. From early times, it was at the center of an elaborate road and traffic network, and, even today, it is the hub for all road and rail traffic to the rest of the country.

Papal rule, which descended on Bologna in 1506, and a subsequent 300 years of peace, did wonders for the city's prosperity and cultural institutions, still conspicuously visible to-

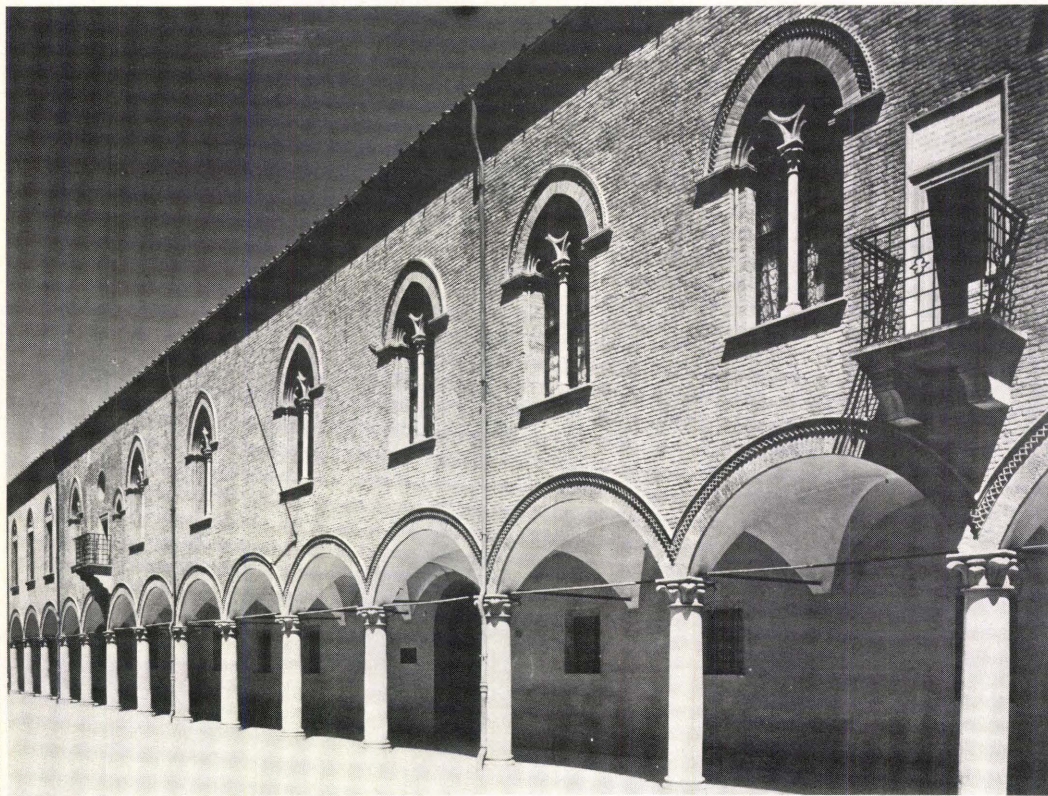
day. The city retains much of its medieval character, with a multitude of *palazzi* and a number of churches built during this time. It was the seat of the archbishop and also the city in which the Emperor Charles V was crowned.

Moreover, Bologna was an important medieval center for learning. The University of Bologna, one of the oldest such institutions in Europe, was founded in the 11th century, and reached the height of its renown in the 12th and 13th centuries. It was not until the 16th century, however, that university buildings were actually erected, lectures having been held until then in large halls throughout the city.

But Bologna is not the only city with attractions to the visitor. There are other places, such as Ravenna, Rimini and Parma, to mention just a few, that offer equally interesting sights, charm and beauty. Ravenna, for example, was an important naval base in Roman times, and became the western capital of the Byzantine Empire in the 5th and 6th centuries. Many of the buildings and churches of that time can still be admired today, especially the 6th-century Basilica of San Vitale, which is decorated with magnificent classical Byzantine mosaics. Rimini, today a popular seaside resort on the Adriatic, contains a number of Roman ruins, the most famous of which is the Arch of Augustus, dating back to 27 B.C., one of the oldest Roman triumphal arches.

At the mention of Parma, several things immediately spring to mind. Parma, like all other cities in the region, contains many churches, *palazzi* and a Romanesque cathedral. The city also provided a perfect setting for Stendhal's novel, *The Charterhouse of Parma*, which is set in the 19th century, but which captures well the medieval character of the town. Parma also boasts a lengthy list of famous personalities who lived and worked there, such as the composer Arturo Toscanini, the painter Correggio and printer

The University of Bologna, founded in the 11th century, is one of the oldest in Europe.



COURTESY ITALIAN GOVERNMENT TRAVEL OFFICE

Giambattista Bodoni.

It is probably also inevitable to associate Parma with its famous ham and, even more so, with its internationally known and loved cheese—*parmigiano*, or parmesan, which was first produced here in the Middle Ages. Indeed, this part of Italy as a whole takes pride in its claim to be the “gastro-nomic capital of Italy.” And when one thinks of the innumerable ways in which pasta is prepared in the Emilia-Romagna, as well as other regional specialties such as sausages and hams, this claim is undoubtedly justified.—ANKE MIDDELMANN

## AMSTERDAM

### A Chinese Community

A new phenomenon, a growing interest in the Chinese language, culture and way of life, is currently taking place in the Netherlands. And it is not, as one might expect, happening at Leiden University, internationally known for its Department of Sinology, but in various municipalities throughout the country. The phenomenon is partly a growing Dutch interest in Chinese language and culture, but also, and especially, an awakening of the Netherlands' large Chinese population to their own backgrounds and traditions.

Dutch colonial history is the main reason behind the large Chinese community in the Netherlands, which is estimated at between 50,000 and 80,000 people. Their origins can be traced back to several Asiatic regions, such as Indonesia, Surinam, Vietnam, Malaysia, Singapore, Taiwan, the People's Republic of China and Hong Kong, the latter two countries constituting the largest number of immigrants.

The first large influx to the Netherlands came from South China at the turn of the century. They arrived on Dutch ships as shiphands, and were able to work and live in the



Chinese socio-cultural clubs are opening up all over the Netherlands. Above, Dutch Minister for Education Willem Deetman at the opening ceremony of a club in Rotterdam.

Netherlands, supporting themselves by opening and running their own small businesses. The end of World War II and the decolonization process of the 1950s brought a further group to the Netherlands, with about 20,000 people arriving in the country after the independence of the Dutch East Indies. Starting out as sailors, they found themselves having to resort to other sources of income when increasing numbers of them lost their jobs at sea. Many took advantage of their exotic and foreign oriental cuisine, opening restaurants that, within a few years, were mushrooming all over the country. It became a trend that reached its peak when one in every four restaurants was Chinese. Later immigrants from Hong Kong, Taiwan, Singapore, and Surinam in 1975 eagerly joined this flourishing trend.

A recent study shows that, over the past 15 years, there has been a growing interest in,

and mutual recognition of, the two different cultures. A larger number of Dutch than before has been found to study Chinese, and many of the Chinese have integrated into Dutch life, graduating from Dutch universities, and successfully entering the professions or opening their own businesses. Nevertheless, there are still isolated groups of Chinese, such as the Hong Kong Chinese, who, having come here last, often still maintain close ties with the families they left behind, and sometimes still have problems learning Dutch and adjusting to life in their new country.

Thus, the Chinese rediscovery of their own culture, language and traditions, left behind years ago, is becoming a way for them to recover their own identities. Schools and clubs, both for children and adults, have been set up throughout the country, often subsidized financially by the local municipalities. Teachers

and books come from Hong Kong, teaching the children, depending on their origins, Hong Kong and Mandarin Chinese in their spare time, since attendance at Dutch schools is mandatory. What is interesting to note is that they have developed a tendency to “simplify” the difficult and laborious Chinese calligraphy.

The role of the socio-cultural club as a meeting place is also important, and increasing numbers of such institutions are opened each year. A typical example of the interplay of European and Chinese influences is offered by a fairly new club in Rotterdam, at the opening ceremony of which the Dutch Minister for Education and Science, Willem Deetman, was present. Run by a Chinese Protestant clergyman and his wife, both from Hong Kong, the club was definitely a “Christian Chinese enterprise” in the words of Mrs. Chan. “But,” she added, “all Chinese are welcome here.”—NEL SLIS

## BONN

### A Controversial Monument

A monument dedicated to the “Unknown Deserter” from military service is threatening to cause a political storm in the Federal Republic of Germany. The sculpture portrays a man's head wearing a military helmet covered with a camouflage net, mounted on top of an approximately three-foot-high pedestal. Underneath are inscribed the words, “*Dem Unbekannten Deserteur*” (“To the Unknown Deserter”). Supporters of the sculpture, currently displayed in Bremen, say it is in honor of the thousands who chose to desert from the German army during World War II rather than fight for a criminal regime, and in honor of those who continue to desert from such armies.

But the sculpture's critics

view the matter in a different light altogether. Defense Minister Manfred Wörner and other members of the Christian Democratic party argue that the sculpture conveys an ambiguity that, although intended to honor World War II deserters, might also prove to be encouragement for present-day young men to desert from the West German Bundeswehr, or armed forces. The row began festering a year ago when a group of Social Democrats, organizations representing those oppressed by the Nazi regime and a group calling itself "Reservists Refuse," placed the monument in a pedestrian zone of Bremen's inner city, and then moved it late last year to the Gustav Heinemann "citizens' house" (or *Bürgerhaus*). This is one of several such buildings in Bremen that, although financed by the municipality, are managed autonomously by local cultural groups. From the very outset, the Christian Democrats were staunch opponents of the sculpture, and adamantly demanded its complete removal.

The row came to a head last January, when Wörner wrote a letter to Bremen Mayor Klaus Wedemeier, a Social Democrat, to complain that exhibition of the statue was no more than an attempt to propagandize desertion to young re-

cruits as a moral obligation, adding that the initiators of the sculpture were trying to establish a commonality between the democratic state founded in the Federal Republic in 1949 and the criminal Nazi regime, something he could not accept.

Wedemeier found himself in a difficult position. On the one hand, some of his Social Democratic supporters were among the initiators of the sculpture, and were also among those who, for a couple of years, violently protested a public oath-taking by new conscripts. On the other hand, Wedemeier himself had been an enthusiastic member of the Bundeswehr, in which he had served as a military policeman.

Nevertheless, he rejected Wörner's arguments, on the grounds that the sculpture was intended only to honor those who had deserted from the Nazi armed forces, and that there was no underlying suggestion that recruits should desert from the Bundeswehr today. This latter argument seemed strengthened by the fact that conscientious objection to military service, denied by the Nazis, has been permitted from the beginning

by the Federal Republic. A recruit thus has no reason for desertion, since he can always apply for substitute service in the first place.

Wedemeier concluded his answer to Wörner by expressing his respect for all those who fought in World War II as well as for those who refused for reasons of conscience to do so. In any case, he told reporters, he lacked the legal authority to order the statue removed because the *Bürgerhaus* is managed autonomously by a citizens' group, and not by the municipal Government.

About 200,000 men in the Federal Republic are conscripted annually. Altogether, an average of about 55,000 men, including those being mustered as well as those already in the service or in the reserve, apply annually for recognition as conscientious objectors to military service and ask for other duty. For a long time, chances were that a man claiming to be a conscientious objector would be released from both military and substitute duty because fewer substitute duty berths were available than there were applications. This situation has been corrected in the last couple of

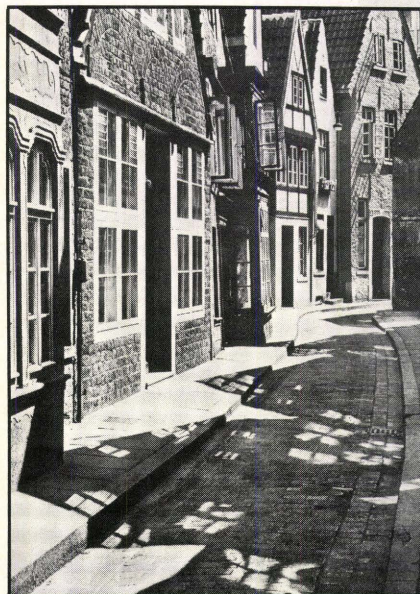
years, however, and those who are recognized as conscientious objectors—slightly less than one-half of those who apply—actually have to serve substitute duty.

Chancellor Kohl's Christian Democratic and Liberal coalition also pushed through a law that requires conscientious objectors to carry out substitute duties for three months longer than other recruits. The reason is that conscientious objectors do not go into the military reserve when they finish their substitute duty as do their soldier counterparts, who are liable to be called up for maneuvers.—WELLINGTON LONG

## LONDON

### Aiding the Arts

London has a longstanding reputation as being both a financial and a cultural center. These two elements recently came together in the most unlikely way, when one of the city's leading orchestras behaved just like one of the major financial houses by attempting a takeover bid against a rival



The new sculpture honoring the Unknown Deserter is in the city of Bremen. The old "Schnoor" quarter, and right, the Guild Hall.



PHOTOS COURTESY GERMAN INFORMATION CENTER



COURTESY LONDON SYMPHONY ORCHESTRA/PETER BLOOMFIELD

The London Symphony Orchestra is just one of several orchestras and theaters in London that depend on government funding.

orchestra. It was an affair in which the staid and mannerly behavior practiced and expected of classical musicians gave way to discordant howls and screeches of protests from the threatened Philharmonia orchestra and its supporters. The takeover bid was eventually averted, at least temporarily, and relative calm has since returned to the concert halls.

This little flurry of excitement, however, underlined the difficulty for even a great cosmopolitan city to sustain four symphony orchestras. Without government subsidies, their survival would be in jeopardy, and, at a time when the Treasury is looking for ways to cut public spending, all of London's state-aided culture is being squeezed.

For it is not only the four orchestras that receive funding from London's Arts Council, but also several other important establishments, such as the English National Opera House and the Royal Opera House at Covent Garden, the much acclaimed Royal Shakespeare Company and the more controversial National Theatre. Music and theater in the provinces further draw on the dwindling cornucopia.

With subsidies either declining or stagnating, many of the

orchestras are now turning to other means to finance their productions. One of the most popular and sought-after methods is to seek commercial sponsorship, which can range in form and financial contributions from an annual subsidy to the funding for the staging of a specific event or a series of concerts. However, just as attracting audiences is an unremitting struggle against competing events, so finding a sponsor is no easy matter—especially when so many are pursuing the same source of life-support funds. One of the persistent problems for the city's orchestras is that they are so badly paid for a concert in relation to work on recording, films and other commercial dates that they must pursue a punishing schedule to stay alive. The London Symphony Orchestra (LSO), for example, had 630 working sessions during the 1985-86 season alone.

Managing director Clive Gillingson says that the LSO is all about great performances of great music with great artists, and he feels that it is wrong that the most important thing an orchestra accomplishes should be the worst paid. Nonetheless, like the other directors, he is aware that if



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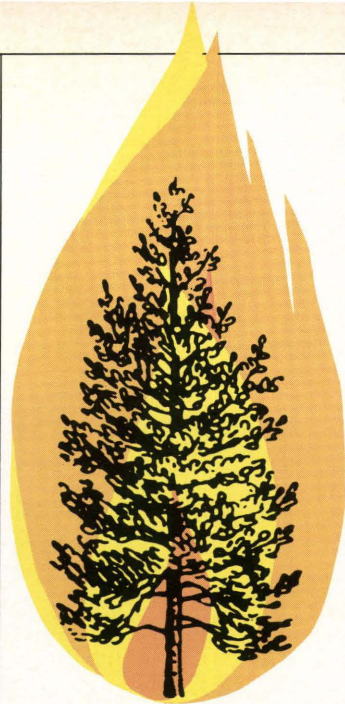
ticket prices are pushed too high, the music lovers will cut down on the frequency of their visits to the concert halls.

Although the situation seems like a vicious circle, some help may be on the way in the shape of a Government plan to change its art-funding policy by introducing a three-year arrangement for the principal institutions. The goal of such a policy, according to Arts Minister Richard Luce, is to permit long-term artistic plans to be made on a sounder basis.

The Royal Opera and other national companies have been lobbying strongly for greater security than the present annual funding allows, and welcome the new attitude of the Government. However, Arts Council Secretary-General Luke Rittner has cautioned against any suggestion that three-year funding would resolve all the cash problems: "It may help in long-term planning but it will not in itself be the solution," he said.

It is this precarious, sometimes hand-to-mouth existence that sparked the idea of amalgamating two of the symphony orchestras. The new "super orchestra" that could have emerged would have had the choice of the finest musicians of the two, and the combined bookings of conductors would have meant an unusually high standard of direction. And the creation of the new "super orchestra" would have lessened the degree of competition between the rivals for the patronage of the relatively narrow range of the city's population that attends concerts and recitals.

Though the idea is currently in abeyance, there is the suggestion of a new and less aggressive approach, one that would seem more like a merger than a takeover, which could well bring about a reduction of one of the four under-funded orchestras of London. This would probably ease the financial problem, but whether it would enhance the choice and quality of music available must remain a question mark.—DAVID LENNON



## LISBON

### Fighting Forest Fires

Since 1974, Portugal has lost 500,000 hectares of forest as a result of fires that occur at an average of 7,500 per year. According to a recent official report, this figure means a loss of 17 percent of the country's forests.

The report was issued by a special committee appointed last year to propose measures aimed at coping with the problem of forest fires, which are becoming increasingly worrisome for the southern European countries. The document says that few fires are the result of arson, and that, contrary to popular belief, "there is no evidence that some groups, for whom such activities are of marginal economic interests, are behind the destruction of forests." However, it admits that some fires are set to obtain cheaper wood, to facilitate construction of subdivisions or to create new areas for pastures and fast-growing trees.

According to Luis Cabrel of the Ministry of Agriculture, 69 percent of the 1983 forest fires were caused by "unknown factors," 16.3 percent were due to negligence, and only 11 percent had been set by arsonists. This high number of "unknown

causes" does not help officials in their attempt to combat the problem. But most experts agree that the geographic conditions of the country, the climate, the strong fragmentation of property ownership and the inaccessibility of many forest areas are to blame. In addition, such factors as depopulation of wooded areas, the declining use of firewood for domestic purposes and the lack of systematic policies for the protection and conservation of forestry are also contributors to the high rate of forest fires.

Long-term planning to put an end to this situation is now needed. "Most farmers are not prepared to look at the forest with modern eyes," says Valente de Oliveira, Minister of Planning, who admits that the \$7 million spent in 1986 did not have "visible effects" in the fight to prevent forest fires. One of the biggest obstacles to effective planning and control, according to de Oliveira, is the ownership structure of these forests, 80 percent of which belong to about 600,000 owners, with the average land area ranging between 0.5 to 3 hectares.

Help may be on its way, in the form of an ambitious 10-year program recently negotiated with the European Community, which will support the modernization of Portuguese agriculture. Within that framework, the forestry program, whose estimated cost is put at nearly \$70 million, is to cover 4 million hectares and will include the building of 4,800 miles of access roads, 2,500 miles of tracks and 400 small storage dams. A pilot project is planned for 1987 in a restricted area around Coimbra, where roughly 30 percent of the forest has been lost to fires between 1974 and 1984.

The project is designed to demonstrate the conditions needed to "rationalize" the economic use of woodland. Central administrative committees, universities and local authorities will contribute to this effort, and the Luse-American Development Foundation, a bilateral institution created in

1985 with funds made available by the United States, will finance the project.

The key importance of woodland to the Portuguese economy easily explains why the success of this long-term project is so significant: In 1986 alone, goods based on forestry products accounted for 15 percent of Portuguese exports, worth over \$1 billion. Experts agree that Portuguese membership in the E.C. will help to improve quality standards and to enlarge marketing prospects, pointing out that forestry alone could make economically profitable use for 70 percent of arable Portuguese land. And the utilization of poor or uncultivated soil, they argue, could easily double the present wooded areas, which now account for around 3 million hectares.

An effective conservation policy of existing forestry, avoiding an annual loss of \$4 million worth of timberland to fire, would certainly be a good start.—JOSÉ AMARAL

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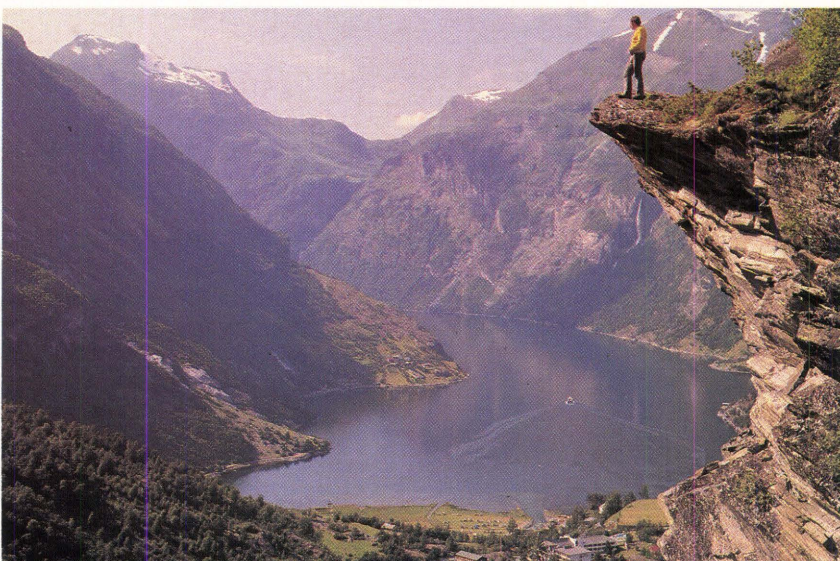
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# KEEPING IN TOUCH WITH EUROPE BY SHORTWAVE RADIO

A GOOD SOURCE OF NEWS AND FEATURES ON TRANS-ATLANTIC ISSUES.

IAN McFARLAND

It is free for the taking. More than 150 countries around the world, including most, if not all of the nations of Eastern and Western Europe, make use of it to carry their message abroad. More countries are making use of it every year, and it is an excellent means of finding out what is happening anywhere in the world.

If it is so popular, then why are only about 4 percent of North Americans aware of it, or even the least bit interested in taking advantage of it? It is an intriguing question indeed, and one that the world's international broadcasters

have been asking for many years. The one who discovers the secret of cultivating the interest of the as yet unexploited North American market of over 200 million people—potential listeners to international broadcasting shortwave—will doubtless find the word beating a path to his door. Forget about inventing a better mousetrap.

International radio has never enjoyed the same level of public awareness in North America as it has for many decades in Europe and Africa, where the shortwave bands have long been used for domestic broadcasting purposes, as well as for broadcasting abroad. Shortwave is a far cheaper means of covering large geographical areas than is a network of AM or FM stations. To most North Americans, the word shortwave tends to be more readily associated with the amateur radio hobby, or even with espionage, than with international broadcasting.

Despite the low profile "that" international shortwave broadcasting has in North America, the roughly 3 percent to 4 percent of the population who do listen at least once per week to overseas radio stations make up an audience of between 5.5 and 11 million people. Only through tuning in to what is being beamed around the world on shortwave do we become aware of a great deal more happening in the world than we ever hear about on our local radio and television newscasts. In fact, for those armchair travelers who are regular listeners to what is coming to be known as world band radio, news is the prime motivation for listening. Whether it is the world news, British news, or *Radio Newsreel* on the British Broadcasting Corporation's (BBC) World Service from London; the news and *Dateline* from Swiss Radio International in Berne; or the news from Radio Moscow's North American Service, news is what primarily draws North Americans to these international radio bands. These occupy the section of the radio spectrum between 3,000

and 30,000 kiloHertz, just above what we know in North America as the AM band. However, just as all work and no play makes Jack a dull boy, all news and no entertainment can make Jack the shortwave listener a dissatisfied radio fan. Fortunately, there is something for everyone on the shortwave bands.

European countries that beam daily broadcasts to the North American audience can be divided into two categories. There are the big boys on the block—the BBC in London and Radio Moscow in the Soviet Union. Then there are all the rest. What sets the BBC and Moscow apart is the fact that they both broadcast to North America pretty much around the clock. The other stations broadcasting from Europe are heard in smaller blocks of time ranging from 30 minutes to several hours. Along with the daily broadcasts in English to North America, they also come in Italian, from Radiotelevisione Italiana in Rome; in German, from Deutsche Welle in Cologne; in Portuguese, from Radio Portugal in Lisbon; in Spanish, from Spanish Foreign Radio in Madrid; in Polish, from Radio Polonia in Warsaw; in Dutch, from Radio Netherlands in Hilversum; and in Swiss German, Romansch and Esperanto, from Swiss Radio International. And there are a good deal more.

No matter how long a particular station's broadcast may last, most start with a news bulletin, be it news of its home country or its version of the world news. Of all the European stations broadcasting to North America, the BBC is considered the most accurate source of world news. One of the drawbacks of keeping in touch with any part of the world, Europe included, via the shortwave bands, is the fact that the signals are not always received with the clarity of a local station, no matter how good your receiver might be. Most stations use more than one frequency for any given broadcast, however, which improves the chances for good reception.

Though news is what the majority of North American shortwave listeners tune in to hear, the world of international radio is by no means a cultural wasteland. Following a comprehensive news package on the BBC on a typical weeknight, between 7:30 and 9:30 PM Eastern Daylight Time (0030 to 0230 in the standard time of the shortwave world), there was a most interesting program about the young Welsh singer Aled Jones on "What Have They Done To My Song?" At the same time, a nice ration of Fado music was to be heard on Radio Portugal's broadcast.

Back on the news front, at 8 PM EDT,

Reagan's legacy in the wake of the arms-for-hostages fiasco with Iran

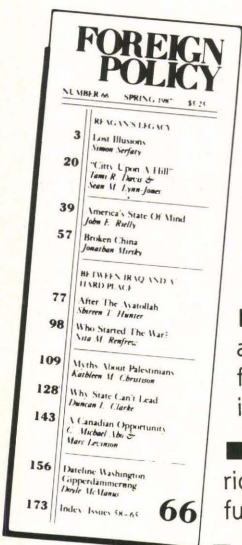
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the Deutsche Welle from Cologne was featuring world news in its English transmission to North America. The West German election results of January 25 also came in for some analysis on *Microphone on Europe*. Rounding out the half-hour block were *Germany Today* and *People and Places*.

Back on the BBC, listeners were offered a news summary followed by the popular program *Outlook*. Elsewhere in the 49-meter band, Radio France was broadcasting a program in Spanish. While Paris was talking Spanish, Madrid was talking English to North American listeners on its program *Panorama*, with a feature on the Spanish cartoonist Antonio Mendote. A little music followed, by a group from the Canary Islands.

At 9:30 PM EDT each evening, one of the strongest signals from Europe, Radio Netherlands, signs on with a broadcast for listeners in the eastern part of North America. Like most of the other stations that can be heard on shortwave, Holland's voice to the world begins its daily broadcast with the world news, followed by *Newsline*, which consists of news analysis and background reports on current events. The final 25 minutes of this 55-minute broadcast are taken up by a different feature program each day.

A traditional feature of many stations on shortwave is the press review, which is a reasonably simple and cheaply produced kind of feature, and, for Western stations at least, an effective way of telling the listener how the country's popular press views a variety of domestic and international issues.

For anyone whose view of world events is largely dependent on radio and television newscasts on local stations, a few weeks of exposure to the international shortwave radio bands will certainly change one's mind. This can be a powerful alternative to a steady diet of rock and roll radio news and television newscasts that only cover events that happen to have accompanying film. It can be an intriguing game to tune into the news on any given day, from a variety of European stations east and west, and then compare what events are chosen and how each is covered. Getting one's news via the international radio bands is no guarantee of unbiased news. But comparing the biases can be an interesting diversion for the dyed-in-the-wool news addict.

Keeping in touch with Europe via shortwave no longer means having to own a radio the size of a small suitcase, and heavy enough to anchor a small boat. The world of high technology and the state-of-the-art integrated circuit microchip invaded the shortwave radio

industry a number of years ago and relegated the old stereotype receiver to the history books and vintage radio clubs. High-tech has produced shortwave receivers small enough to slip into a jacket pocket or into a briefcase. Tuning these latest receivers is as simple as adding two numbers on a pocket calculator, and the frequency to which the radio is tuned is displayed in numbers.

Getting yourself tuned into the international radio world need not be an overly expensive proposition these days, either. Excellent receivers, with push-button tuning, digital frequency display and memories for storing the frequencies of often listened-to stations—pushing only a single button will retrieve a station from the memory—are available for as little as \$200 to \$300. These receivers usually have AM and FM reception capabilities as well.

Knowing when to listen, and where on the dial to tune your receiver is also a fairly simple matter, once the listener gets organized. All shortwave stations publish a program schedule, and in all cases except for the BBC, they are avail-

able free of charge. One need only write to the stations and ask to be placed on their mailing list. Most stations issue their schedules twice a year or quarterly. However, the BBC's schedule, which is the most comprehensive of all, is published monthly. There are also a number of monthly publications produced in the United States. They contain program information, updated frequency schedules and changes for a variety of shortwave stations, as well as interesting articles about shortwave broadcasting.

The proliferation of communications satellites spinning about the earth in geostationary orbits is now making it possible for listeners in North America to listen to international stations without even having to own a shortwave radio. About a year ago, Radio France International began feeding its programming across the Atlantic via satellite to Montréal, where it is now available 24 hours a day on cable in francophone Québec. More recently, the BBC began sending its World Service output to the United States via satellite and made it available free to stations in the National Public Radio network.

**BELGIUM:**

**Belgische Radio and Televisie (BRT)**  
P.O. Box 26, 1000 Brussels, Belgium.

**FRANCE:**

**Radio France International**  
Boite Postale 9515, 75762 Paris, Cedex 16, France.

**FEDERAL REPUBLIC OF GERMANY:**

**Deutsche Welle**  
Raderberggürtel 50, P.O. Box 10 04 44, 5000 Cologne 1, Federal Republic of Germany.

**ITALY:**

**Radiotelevisione Italiana (RAI)**  
Viale Mazzini 14, 00195 Rome, Italy.

**NETHERLANDS:**

**Radio Netherlands**  
P.O. Box 222, 1200JG Hilversum, Netherlands.

**PORTUGAL:**

**Radio Portugal**  
Av. Eng. Duarte Pacheco 5, 1000 Lisbon, Portugal.

**SPAIN:**

**Spanish Foreign Radio**  
Aptdo. 156.202, 28080 Madrid, Spain.

**UNITED KINGDOM:**

**British Broadcasting Company (BBC)**  
P.O. Box 76, Bush House, London WC2B 4PH, United Kingdom.

**VATICAN:**

**Vatican Radio**  
Vatican City, Rome, Italy.

# TRANS-ATLANTIC RACE PROMOTES CLOSE TIES BETWEEN U.S., EUROPE

SAILING EVENT COMMEMORATES U.S. CONSTITUTION AND THE TREATIES OF ROME.

LOIS WILLIAMSON

The erratic winds of E.C.-U.S. relations are blowing favorably in one sector. Preparations for a unique trans-Atlantic yacht race are underway on an even keel. The Constitution Race, which commemorates the 200th anniversary of the American Constitution and the 30th anniversary of the signing of the Treaties of Rome establishing the European Community, starts May 16 from Nieuwpoort, Belgium, and ends at Cape May, New Jersey, at the mouth of the Delaware River.

The race links Brussels, headquarters of the E.C. Commission, with Philadelphia, the city where the U.S. Constitution was signed in 1787. The boats will travel up the Delaware River in convoy to moor at Penn's Landing, where they will be on display during Philadelphia's bicentennial celebrations for two weeks in June.

The Constitution Race not only commemorates the founding of two democratic unions, but underlines the symbolic and practical connections between them. Just as the 13 American colonies sought strength through union and common enterprise, while maintaining a degree of independence, so the 12 E.C. member states today aspire to similar goals. As Willy de Clercq, E.C. Commissioner for External Affairs, put it, the race underlines the "very close links of friendship between the European and American peoples."

Fourteen boats will participate, one representing each of the 12 E.C. nations and bearing its country's name, one for the European Community as a whole, named *Europe*, and one representing the United States, named *Philadelphia*. The E.C.'s 12-starred emblem will be flown from the backstays of each European yacht. The event is being run under the patronage of the E.C. Commission, the European Parliament and other European institutions and the City of Philadelphia.

Belgian Prime Minister Wilfred Martens, a keen sailor himself, also has offered his hearty encouragement.

"Sail for Europe," a nonprofit organization whose mission is the promotion of European unity through sailing, is organizer of the race. Sail for Europe sponsored the boat *Traité de Rome* in the 1976-77 Whitbread Round-the-World Race (it placed third), as well as *Europe*, winner of the 1984 Tour de France à la Voile. The idea for the race was hatched barely a year ago, a very short lead time for an international race of this dimension. It was the ability of "Sail for Europe" to mobilize strong support within the E.C. Commission and, in turn, through national sailing federations that has enabled the plans to be realized.

Who should be the first country to confirm its participation but Luxembourg, the smallest E.C. nation and the only one with no coastline. Gaston Neu, president of the Luxembourg Sailing Federation, said it will be the first time his country has been represented in a sailing race of this magnitude. "We might not have a coastline, but we have lots of enthusiasm," he says. The Luxembourg boat, *Letzebeurg*, is racing to win. Neu says the Finnish-built Baltic 42 sails excellently to windward and will have a very good crew.

While Luxembourg puts the finishing touches on its boat, *Philadelphia* skipper John Kalish had not even laid eyes on his yacht five weeks before the start of the race. Finding funds in Philadelphia took much longer than expected. Other countries, such as the United Kingdom, Denmark and Portugal are in similar straits. But it is expected that at least 10 of the 12 E.C. nations will be lined up before the starting gun.

Consistent with the spirit of the two events it commemorates, the Constitution Race has an essentially amateur and democratic character. Though the race is open to all—including professionals—the

rules have been designed to emphasize the amateur nature. Sponsorship of any type, private or governmental, is permitted. But the race requirement of series-built monohull boats of about 12-14 meters length (31-33 feet IOR) effectively limits the budgets and eliminates the participation of high-priced racing machines.

The *Philadelphia*, *France* and *Europe* boats are all competing in First 42's, right, built by Bénéteau of France.

John Kalish, a native Philadelphian living in Brussels who originated the idea of the race, says, "We wanted to assure the participation of all European countries—particularly those where sailing is not a big industry—on equal footing. This would have been impossible had we allowed maxi boats or multihulls."

Advertising on boats will not be permitted while racing, and yachts must carry only the name of the country they represent, and not that of a sponsor. (Before and after the race, however, sponsors may use the boats for advertising.) Although this rule has made funding more difficult for all boats, it is essential to the character of the race. "We want to project the image of European cultural diversity alongside political solidarity, and not that of a purely mercantile union," says Guy Vanhaeverbeke, president of "Sail for Europe" and director of the information office at the European Parliament. "In the United States and Europe, the E.C. is too often labeled the 'Common Market' and not a real community of citizens," he says.

European unity aside, there is no lack of competition between the boats. The Belgian entry will be skippered by the well-known ocean racer Staf Versluys, in



his own boat specially adapted to windward sailing in the North Atlantic. Yves de Coninck, who crewed with Versluys in the last Whitbread race, will be out to beat his former mentor as the skipper of *Europe*. *Philadelphia*, *France* and *Europe* all are competing in First 42's built by Bénéteau of France.

The Greeks, who have never participated in a trans-Atlantic race before, are confident of their chances. "The Atlantic is lots of ups and downs," says skipper Emanuel Gogossis. "Things happen when you least expect them," which is why he is proud that his boat, a Britten Chance 42, was designed by a member of the design team for *Stars and Stripes*.

Each boat will have a minimum crew of six, who, in principle, should be citizens of the country under whose flag they are competing. The crew on *Europe* will not include more than two nationals from any one E.C. member state.

When it comes to provisions, there is no guesswork to knowing which boat is which. The Philadelphia yacht, although equipped in Belgium, has freeze-dried hamburger on the food list. "What we really need are steak sandwiches and hoagies," says Kalish, referring to local Philadelphian delicacies. The French, of course, are not going to let anything keep them from eating *à la française*, however unsophisticated the setting.

Gogossis, whose crew will be 100 percent Greek, will pack his boat with 80 percent Greek food, taking care to include such traditional foods as marinated fish and feta cheese. Greek music, "the real kind, not the tourist variety," will be played on board, he says. And Ouzo, that anise-flavored Greek specialty? Bottles will be stowed for drinking in Belgium before the race and for offering to all at the finish. "There'll be no drinking Ouzo while sailing," insists Mr. Gogossis. "After all, this is a serious race." €

Lois Williamson is an editor of *The Wall Street Journal-Europe* and an avid weekend sailor.

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locomotives. Federal investigators, saying it  
was too early to determine the cause, intensi  
fied their probe of the accident, focusing  
on possible human error or equipment failu  
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# U.S. GROUPS RETURN TO EUROPE FOR CONVENTIONS

IT TAKES MORE THAN SUN, SEA AND SAND TO MOTIVATE TODAY'S ACHIEVERS, AND EUROPE HAS IT.



JANE JAMISON

**D**eluxe hotels and meeting facilities, sophisticated travel professionals to assist in planning and organization, and a wealth of options for special activities make Europe a favorite choice for the U.S. corporate-meeting and incentive-travel markets. It takes a lot more than sun, sea and sand to motivate today's "seen it all" achievers and while a fear of terrorism and, more recently, the declining value of the dollar, created a major setback in the market for Europe, the future is bright according to organizers involved in planning for 1988, 1989, 1990 and beyond.

Bob Searinson, president of the Maritz Corporation—one of the nation's two largest incentive-travel firms—rates Europe as "outstanding" in popularity as a destination for his clients, although he said the effects of terrorism are still being felt. Maritz business to Europe has shown a drop of 50 percent to 60 percent over the 1986-87 period, he said. But, he added: "We have been seeing a great deal of new interest in Europe, and expect 1988 to be a very big year for the destination."

Jane Jamison is a correspondent for the trade publication, *Travel Weekly*.



The International Cannes Convention Center (top) combines excellent meeting facilities with entertainment and outdoor activities. The ICC Berlin (above) is one of the most modern and best equipped conference centers in Europe.

In addition to the strong commercial ties between the United States and Europe, the destination's attractions for the corporate/incentive market are similar to those that make Europe a favorite overseas goal for traveling Americans in general—history, art, culture, pageantry and fabulous scenery; the opportunity to travel back in time amid Europe's historic architecture. Add to this state-of-the-art technology and amenities for conventions and you a perfect combination.

The following is a brief sampling of meeting centers in Europe. It would be impossible to cover everything in the short space available for this article. Eu-

rope consists of many countries, most of which offer attractive and contrasting programs in different areas within their own borders.

Most of the U.S.-based European government tourist offices have departments specifically set up to cater to meeting planners. They can assist with complete information on meeting facilities and on sites suitable for particular requirements. They help obtain estimates and appointments with professionals and even suggest ideas for special events, shows and parties.

The United Kingdom is the number-one international travel destination from

the United States and a leading convention venue drawing, among others, 18,000 from the American Bar Association in 1985; 1,200 from the International Reading Association in 1986 and 4,860 from the Audio Engineering Society in March of this year.

According to Julian Younser, business travel manager for the British Tourist Authority, Britain's success with these markets can largely be attributed to two things—the well known appeals of the area as a highly prestigious and successful tourist destination and the very sophisticated trade in Britain. "We have been at it for quite some time. There are so many things we can do for an incentive group. In Britain, we say, you are limited only by your imagination."

Younser cites examples such as an Indian extravaganza at Hampton Court on the Thames River—former royal residence for two centuries—complete with

**Leeds Castle in England is one of the most prestigious conference sites in the world for groups of up to 200 people.**



maharajahs, elephants, belly dancers and an elaborate marquee; a visit to Oxford and a reception at Blenheim Palace with roundtrip transportation from London on the Orient Express; special events centered around major horse racing events; golf tournaments, even an adventure program where a group was left in the middle of nowhere in Scotland and instructed to find their way back to Edinburgh.

Meeting venues in and around London can range from the modern Barbican Arts and Conference Center that can seat up to 2,600 in its main auditorium, to such private and prestigious facilities as 900-year-old Leeds Castle with its own helipad, golf, swimming, tennis and limited residential accommodation along with meeting space for 200.

Commenting on the recent downturn in business to the area, Younser said, "Terrorism isn't off the agenda yet, but it is nowhere near the front of the list. Last year, it was the flavor of the month; we were hit very hard, but we have been noticing a return in confidence for the destination and results on paper for this year, and especially for 1988, look good." Younser noted that the trade in Britain also is well aware of the effects of the devaluation of the dollar. "In most cases, prices have been frozen for 1987 and in some cases through 1988 and even 1990," he said. "Those experienced in the market are doing everything possible to win back the business and they know that means giving a little," he added.

From Nice to Biarritz, from Vichy to Strasbourg, some of the most forward looking cities in France have pooled their efforts to attract conventions, sales meetings and national or international events requiring first-rate group facilities. At the center is Paris, the artistic, intellectual, political and financial capital of France.

This prestigious and romantic city draws travelers from around the world with the Seine River and its bridges, its squares and boulevards, mansions and palaces, cafés and restaurants, the Louvre, the Eiffel Tower, Notre Dame Cathedral, history, art, fashion and shopping.

Paris also has a wealth of distinguished hotels, many with extensive meeting facilities, but for major conferences the principal site is the Palais de Congrès de Paris, the Paris Convention Center. The 5-acre site, west of the city, is a few minutes' walk from the Arc de Triomphe and the Champs Elysées, and can accommodate up to 5,000 delegates. The seven-floor facility with its wide range of exhibition halls, offices and business suites, cinemas, boutiques and restau-

rants, is towered over by the 34-story Concorde Lafayette Hotel.

Unlike Britain and France, whose capital cities attract the bulk of corporate/incentive business, the Federal Republic of Germany is a country of many rival big towns rather than one all-powerful capital. The country's popularity with the business traveler, according to German convention manager Renata Engelhard, lies with its facilities for meetings and conventions and the possibilities for pre- and post-conference tours.

Germany is a high-tech country with matchless know-how in countless fields, providing the opportunity to combine professional study tours, seminars, plant visits and conferences with romantic hamlets, beautiful castles and centuries-old tradition. As a cosmopolitan center of culture and art, industry and research, West Berlin is high on the list for meetings and conventions. The International Congress Center, ICC Berlin, located close to the city center and to Tegel Airport, is one of the most modern and best equipped in Europe.

Adjacent and linked by bridge to trade-fair exhibition grounds, the Berlin Congress Center features a large hall with 5,000 seats, a variable banquet hall with up to 4,000 seats and 80 smaller rooms for medium-sized and small conventions and meetings.

Along with the attractions of West Berlin's postwar restorations, art galleries, the museums of European art and the Philharmonic Concert Hall, visitors find themselves drawn to the Berlin Wall. They can easily cross over into East Berlin to catch a glimpse of life in the most prosperous of the East Bloc countries. Engelhard said Germany is still feeling the effects of terrorism, "but we are confident, with our higher inquiry levels, that business will pick up again. We have bookings coming in now for 1990 and 1991. Business from the United States is a little better this year, but we are still way down from 1983, 1984 and 1985 levels," she said.

From a planning point of view—about 18 months ahead for meetings and three years for conferences—"inquiries for 1989 and beyond are coming in, but the decision-makers are not willing to commit themselves," Engelhard said. "They are willing to see what will happen to the dollar and are also keeping their eyes on the safety factor."

Brussels is a hub of international business activity. It is the headquarters for the North Atlantic Treaty Organization, the European Community and other international organizations, and the city is

**Continued on page 46.**



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# THE INSTITUTIONS OF THE EUROPEAN COMMUNITY



**S**ince the accession of Spain and Portugal on January 1, 1986, the European Community has 12 member states and 321 million citizens. The six founding countries—Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands—had already been joined by Denmark, Ireland and the United Kingdom in 1973, and by Greece in 1981. Despite difficulties, even periodic crises, these successive enlargements testify to the vitality of the European process and the appeal of its first results.

The E.C. traces its origins to the Treaty of Paris, signed on April 18, 1951, to create the European Coal and Steel Community (ECSC) the following year. The experiment proved successful and the then E.C. member states decided to deepen it and extend it to embrace their entire economies: on March 25, 1957 they signed the two Treaties of Rome, setting up the European Economic Community (EEC) and the European Atomic

Energy Community (EAEC or Euratom).

A "Single European Act," signed in February 1986 and submitted to national parliaments for ratification amends and complements these treaties. It spells out certain objectives of the E.C.: completion of the European internal market and the creation by 1992 of a great area without frontiers, technological development, progress toward economic and monetary union, strengthening of economic and social cohesion, and improvement of the environment and working conditions. This act also includes measures to make the E.C. work more effectively and more democratically (these measures are outlined later in this article). In addition, there is a section of the act that institutionalizes cooperation among member states in the field of foreign policy.

The three European Communities are managed by common institutions. As a consequence they are increasingly referred to, in the singular, as the European Community.

## THE COMMISSION—Initiator and Executive

The E.C. Commission is composed of at least one citizen from each member state. It consists at present of 17 members: two each from the Federal Republic of Germany, Spain, France, Italy and the United Kingdom and one from each of the other countries. Members of the Commission are appointed for four years by mutual agreement of E.C. Governments; they act only in the interest of the E.C.; they may not receive instructions from any national Government and are subject to the supervision of the European Parliament alone, which is the only body that can force them collectively to resign. Commission decisions are taken on a collegiate basis, even though specific competences are allocated to each member of the college.

The tasks of the Commission are:

- To ensure that E.C. rules and the principles of the common market are respected. As the guardian of the Treaties, the Commission sees that their provisions, as well as the decisions of E.C. institutions, are correctly applied. It decides on requests from member states wishing to avail themselves of the safeguard clauses in the Treaties that allow, in exceptional cases, temporary waivers or derogations from E.C. rules. The Commission has investigative powers and can impose fines on individuals or companies, notably those that are found to be in breach of E.C. competition rules. Appeal is allowed to the European Court of Justice. States that fail to respect their obligations can also be taken before this court by the Commission.
- To propose to the E.C. Council of Ministers measures likely to advance the development of E.C. policies (in the fields of agriculture, energy, industry, research, the environment, social and regional problems, external trade, economic and monetary union, etc.). In 1985, the Commission sent 694 proposals to the Council of Ministers.
- To implement E.C. policies, whether based on Council decisions or directly on Treaty provisions. Under the single act reforming the Treaties, the Council of Ministers gives the Commission powers for the implementation of the rules that the Council lays down, in all but exceptional cases. Some of these executive powers can be subject to procedures for collaboration and consultation with national experts.
- The Commission already has especially wide powers of its own in sectors such as coal and steel (coordination of invest-



ment, price control, etc.), competition (suppression of monopolies and control of national aids) and nuclear energy (supply of fissile materials, control of nuclear plants, etc.).

- In other cases, the Commission operates under instructions from the Council: in the negotiation, for instance, of trade agreements with third countries or the management of agricultural markets.

- The Commission also manages the funds and common policies that account for most of the E.C. budget. These include the support and modernization of agriculture (European Agricultural Guidance and Guarantee Fund), the encouragement of regional, industrial and professional development and the employment of the young (European Regional Development Fund, ECSC grants and Social Fund), the promotion of scientific research (the Joint Research Centre and other services employ about 2,900 people) and the concrete application of European support and concern for the Third World (European Development Fund, food aid programs, etc.).

The Commission has an administrative staff, based mainly in Brussels and, to a lesser extent, Luxembourg. Apart from the researchers already mentioned, it consists of about 11,000 officials, divided between 20 directorates-general. This is less than the staff of a good number of single ministries in member countries. One-quarter of the Commission's personnel is employed on the linguistic work made necessary by the use, on equal footing, of nine working languages.

### THE COUNCIL OF MINISTERS—Decision-Maker

The Council of Ministers meets in Brussels and, a few times annually, in Luxembourg. The Council makes the major policy decisions of the Community. It consists of ministers from member state Governments. Each Government acts as president of the Council for six months in rotation. Participants in the meetings change according to the agenda: Agricul-

ture Ministers, for instance, discuss farm prices, Employment and Economy Ministers discuss the problem of unemployment. Foreign Ministers coordinate the more specialized work of their colleagues. They also work out political cooperation in foreign policy matters, discussing it at Council sessions and at meetings specially devoted to the subject.

Meetings of the European Council take place two or three times a year (they have been a regular event since 1975). They bring together the Heads of State or Government of the E.C. and the President of the Commission, assisted by their Foreign Ministers and a member of the Commission. The European Council deals with E.C. questions and with political cooperation. Its role in supplying guidance and impetus is not to be underestimated, even if it cannot directly agree with E.C. legislation.

The Council of Ministers is assisted by:

- The Committee of Permanent Representatives, Coreper, which coordinates the groundwork for E.C. decisions undertaken by numerous meetings of senior officials of member states.

- A general secretariat, with a staff of about 1,900 people.

The Council of Ministers can deal only with proposals from the Commission and can alter them only by unanimous agreement.

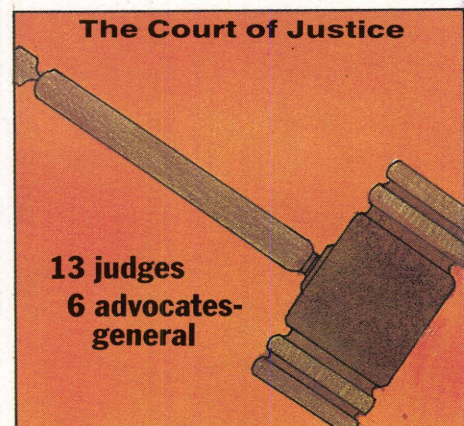
Unanimity is also required in the Council for certain important decisions. In practice it has frequently been sought by the ministers when not strictly necessary, which has tended to slow down the E.C. decision-making process. The Commission has always urged the more frequent use of the qualified majority vote laid down in the Treaties. Out of a total of 76 votes, 54 are needed to approve a Commission proposal. The Federal Republic of Germany, France, Italy and the United Kingdom have 10 votes each, Spain 8 votes, Belgium, Greece, the Netherlands



and Portugal 5 votes each, Denmark and Ireland 3 votes each and Luxembourg 2 votes. In order to strengthen the E.C. decision-making process, the Single Act amending the Treaties provides for majority voting to be extended to certain decisions, particularly in relation to completion of the European internal market, research and technology, regional policy and improvement of the working environment.

### THE COURT OF JUSTICE—Servant of E.C. Law

The E.C. Court of Justice, sitting in Luxembourg, comprises 13 judges, assisted by six advocates-general. Both groups are appointed for six years by mutual



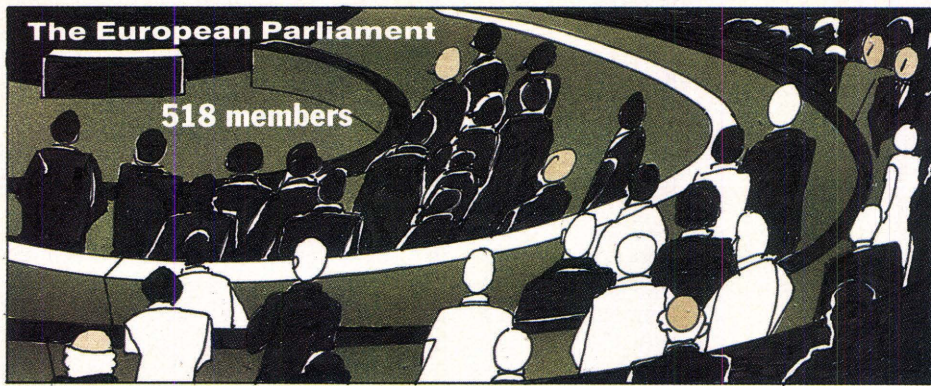
consent of member states. Their independence is guaranteed. The Court's role is:

- To quash, at the request of a E.C. institution, government or individual, any measures adopted by the Commission, Council of Ministers or national Governments that are incompatible with the Treaties.

- To pass judgement, at the request of a national court, on the interpretation or validity of points of E.C. law. If a legal action produces a disputed point of this kind, a national court can request a preliminary ruling by the European Court. It must do so if there is no higher court of appeal in the member state concerned.

In 1985, the Court dealt with 433 cases (including 139 preliminary rulings) and passed 255 judgements. The Court can also be invited to give its opinion—which then becomes binding—on agreements that the E.C. proposes to undertake with third countries.

Through its judgments and interpretations, the Court of Justice is helping to create a body of truly E.C. law that will apply to all: E.C. institutions, member states, national courts and private citizens. Judgments of the Court, in the field of E.C. law, overrule those of national



courts. Also, in cases of non-application of E.C. law by the Council or member states, the Court has heard complaints brought by individuals and upheld the direct applicability of Treaty-imposed principles, such as equal pay for men and women and the right of the liberal professions to practice throughout the Community.

### THE EUROPEAN PARLIAMENT—Public Participation

Since June 1979, when the first direct elections were held, the European Parliament is no longer made up of members co-opted from national parliaments (except, temporarily, in the cases of Spain and Portugal). Members are elected every five years by universal suffrage. The European Parliament has 518 members: 81 from each of the four most populous countries, the Federal Republic of Germany, France, Italy and the United Kingdom; 60 from Spain; 25 from the Netherlands; 24 from Belgium, Greece and Portugal, respectively; 16 from Denmark; 15 from Ireland; and 6 from Luxembourg.

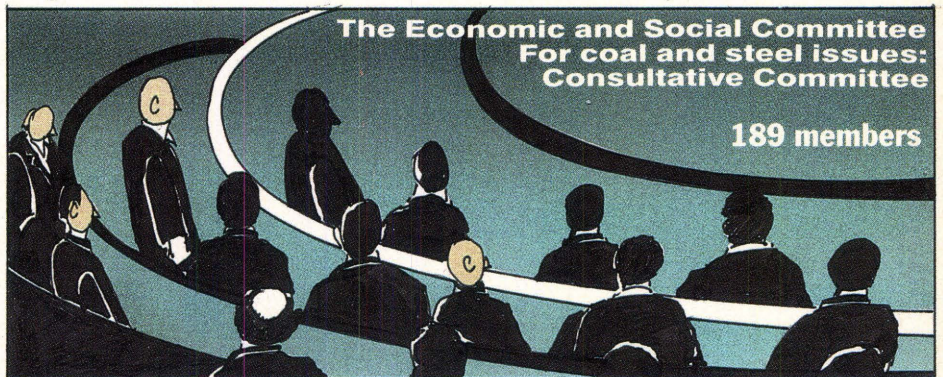
Members of Parliament form political rather than national groups. As of May 2, 1986, they were divided as follows: 172 Socialists, 119 Christian Democrats in the European People's Party, 63 European Democrats, 46 Communists and Allies, 41 members of the Liberal and Democratic Reformist Group, 34 members of the Group of European Renewal and Democratic Alliance, 20 in the Rainbow Group, 16 members of the European Right and 7 belonging to no group.

The Parliament has a staff of about 2,900 officials, based in Luxembourg. It has 18 committees and holds plenary sessions in Strasbourg, France, with representatives of the E.C. Commission and Council of Ministers present. In committee and in plenary session, it discusses and gives opinions on major E.C. problems.

In spite of its repeated demands, the European Parliament does not have legis-

lative powers like those of national parliaments. Under the present E.C. legislative process, the Commission has the sole power of initiative and the Council plays the major role in taking decisions. Nevertheless, the Parliament:

- Has the power to dismiss the Commission by a two-thirds majority;
- Supervises the Commission and Council, partly through debating their programs and reports, and partly through written and oral (and often incisive) questions, of which 4,599 were asked in 1985;
- Is invited to give an opinion on Commission proposals before the Council can make a decision on the text, possibly revised by the Commission. There is also a cooperation procedure, provided for in the Single Act modifying the Treaties. This applies to a number of questions, including the right of E.C. citizens to work in the member state of their choice, the completion of the European internal market, research and technology, regional policy and the improvement of the working environment. The procedure obliges the Council and the Commission



to take the Parliament's amendments into consideration, but a unanimous vote by the Council remains the last word. Parliament's agreement will also be required in future for the conclusion of international agreements and whenever the E.C. is to be further enlarged.

- Has budgetary powers that allow it to take part in major decisions on E.C. expenditure. It is the Parliament that finally adopts or rejects the draft budget drawn

up by the Commission and agreed by the Council.

- In the case of expenditure, mainly agricultural, involving legal obligations to third parties, the Council must have a qualified majority to accept or reject modifications made by Parliament, whether or not they increase the overall budget;
- In the case of non-obligatory expenditure, often involving the development of new E.C. policies, the Parliament has discretionary powers of amendment over the budget, within the limits of a margin of maneuver that is determined partly by the economic situation of the E.C. and that can be altered by mutual agreement with the Council.
- Has the power to give a discharge to the Commission for its management of the budget: In other words, the Parliament verifies that the E.C. budget, once adopted, was properly executed;
- Has established over the years consultation procedures with the Council and the Commission to discuss budgetary matters and proposals with major financial implications. The various institutions are thus able to learn each others' views and attempt to narrow differences before adopting final positions.

### THE ECONOMIC AND SOCIAL COMMITTEE and other committees

Before a Commission proposal can be adopted by the Council, it must be sought, not only from the European Parliament, but also in many cases from the E.C.'s

Economic and Social Committee. This is a consultative body with 189 members who represent employers, trade unions and other interested groups such as farmers and consumers. It issued 98 opinions in 1985, including five on its own initiative. Issues involving coal and steel are referred to the ECSC Consultative Committee, consisting of representatives of manufacturers, traders, workers and consumers.

## The Court of Auditors



Many specialized advisory bodies help to further associate professional and trade union interests with the development of the Community. The leaders of their European federations, established in Brussels, and their experts, are often consulted by the Commission before it adopts definitive proposals.

### THE COURT OF AUDITORS and the budget

E.C. spending reached about 28.4 billion European Currency Units (ECU) in 1985 (about \$21.6 billion at average 1985 exchange rates), the equivalent of less than 3 percent of the money spent by national Governments and an average of about 104 ECU for each E.C. citizen.

The E.C.'s budget is no longer financed by national contributions, but by the E.C.'s own resources:

- Customs duties and agricultural levies on imports from the rest of the world.
- A proportion, on a uniform assessment basis, of value-added tax (VAT) collected in the member states. This has just been raised from a 1-percent maximum VAT rate to a maximum of 1.4 percent.

Corrective measures can be applied to VAT payments by countries whose budgetary contribution is excessive in relation to their relative prosperity. Thus the gap between the United Kingdom's share in E.C. expenditure and in its VAT revenue has now been reduced by two-thirds. Transitional measures have also been arranged for Spain and Portugal, as those countries will benefit only gradually from the financial advantages of E.C. membership. The two new member states are repaid a proportion of the VAT levied on them by the E.C.. This reimbursement is set at 87 percent for 1986 and will gradually decrease, to end altogether in 1992.

As percentages of the total, expenditure under the main headings of the 1985 budget was divided as follows:

- Support for farm prices, modernization of agriculture, fisheries: 73 percent.
- Aid for industrial, infrastructural and

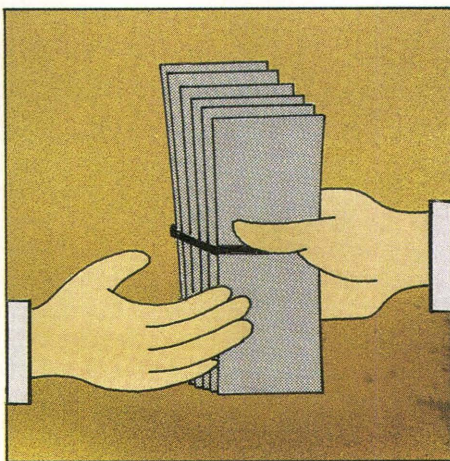
service investments in the poorest regions: 5.8 percent.

- Social measures, especially unemployment, vocational training and retraining, education, culture, the environment and consumer protection: 5.7 percent.
- Joint action in research, energy, industry and transport: 2.6 percent.
- Aid to Third World countries: 3.7 percent (plus non-budgetary expenditure arising from the Lomé Convention, which doubles the sum available).
- Administrative expenditure: 4.7 percent, covering the salaries of 19,700 officials and other employees of all the different E.C. institutions, as well as the cost of buildings, administration, the dissemination of information, etc.).

The management of the budget is supervised by a Court of Auditors, consisting of 12 members appointed by mutual agreement of the Council of Ministers for six years. The Court of Auditors has extensive powers to examine the legality and regularity of E.C. receipts and expenditure and the sound financial management of the budget.

### THE EUROPEAN INVESTMENT BANK—Borrowing and Lending

The Treaties of Rome created a European Investment Bank (EIB), based in Luxembourg. Provided with its own legal identity, decision-making processes and capital subscribed by member states, the EIB has the task of furnishing loans to help public and private investment in industry and infrastructure. The projects financed help toward important objectives of the E.C.: regional development (about 60 percent of 1985 loans), reducing dependence on imported energy resources, modernization of communications and of industry, development of advanced technology, environmental protection. The EIB raises money on capital markets and relends it on a non-profit-making basis. Its lending amounted to 7.2 billion ECU in



1985, of which 6.5 billion ECU was inside the E.C. and the rest in developing countries of the Mediterranean, Africa, the Caribbean and the Pacific. These figures include loans by the EIB through the "New E.C. Instrument." For these, the money is raised on capital markets by the Commission, which also decides on the eligibility of projects. Loans totaling 884 million ECU were made this way in 1985, mainly for the small and medium-sized enterprises outside of regional development zones. The Commission also raises loans for the coal and steel industries (1.01 billion ECU in 1985) and for nuclear energy (229 million ECU). Besides lending for investment, the E.C. can advance loans to relieve the balance-of-payments problems of member states, subject to conditions for the economic policy of the recipient country.

### CONCLUSION

Across the world, there are many examples of international organizations that link countries wishing to work together. The European Community is something more, and quite different in several ways.

- In its goals: the creation, in time, of a genuine European Union.
- In its methods: the management of the E.C. is not simply intergovernmental; E.C. institutions have powers in their own right and strive to serve the overall interest of all E.C. citizens.
- In its achievements: the Council of Ministers and the Commission, where it has decision-making powers, take measures that have the force of law and that, in many cases, apply directly to E.C. citizens.

These measures are called:

- Regulations, when they apply directly.
- Decisions, when they are binding only on the member states, companies or individuals to whom they are addressed.
- Directives, when they lay down compulsory objectives, but leave it to member states to translate them into national legislation.
- Recommendations and opinions, when they are not binding (except in the ECSC sector, where they are equivalent to directives).

Much further effort is needed before such measures and the evolving relationship between E.C. institutions and member states add up to a true European Union. However, the results already achieved in 35 years of shared history, together with the scale of the challenges with which Europe is faced, amount to a powerful argument for making new progress. €



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# POLL SHOWS POPULAR SUPPORT OF EUROPEAN UNION

TWO-THIRDS OF EUROPEANS ARE "FOR" OR "SOMEWHAT FOR" A "UNITED STATES OF EUROPE."

*Eurobarometer public opinion polls have been conducted on behalf of the E.C. Commission each spring and autumn since September 1973. An identical set of questions is put to representative samples—different each time—of the population aged 15 and over in each of the 12 E.C. member countries. A special Eurobarometer poll carried out on the occasion of the 30th anniversary of the Treaties of Rome establishing the E.C. surveyed 11,920 people about their expectations on European unity. A summary of Eurobarometer's report on the survey follows.*

## 30 Years Later

Sixty-two percent of the citizens of the 12 E.C. member states consider their country's E.C. membership to be "a good thing." For the six original member states, the figure rises to 72 percent. Seventy-four percent say their country's membership is important or very important (80 percent for the six founding members). Fifty-three percent say that their country has benefited from membership. Among the citizens of the six original members—that is, those who have actually with the Community for 30—this score is 65 percent.

## Political Union

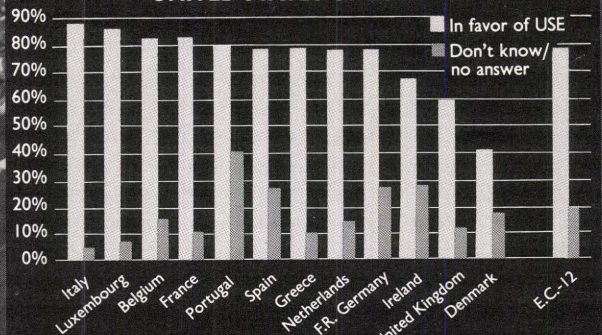
Asking about the importance of E.C. membership, and about the resulting benefits for their country, Eurobarometer invited respondents to give an *assessment* of what they perceive to be present and past reality. Asking them whether they think that various scenarios would come about by January 2000, Eurobarometer invited them to tell us their *expectations*. In addition, they were asked them about their own *preferences* with respect to the *future of European unification*. For instance, several questions were asked about the idea of the "United States of Europe."

In recent years, there has been little discussion about the "United States of Europe." Those who were interested in furthering European integration took particular care to avoid this formula. It was considered unfashionable, archaic, representing a way of looking at things that was anything but up-to-date. On the occasion of the 30th anniversary of the Treaties of Rome, Eurobarometer nevertheless thought it interesting to test these assumptions by presenting this "formula" to the European public of 1986-87.

Sixty-two percent of the citizens of the 12 E.C. member states consider their country's E.C. membership to be "a good thing."



Public Opinion on a UNITED STATES OF EUROPE



("In favor of:" percent of those who replied; "Don't know/no answer: percent of those interviewed.)

CHART ILLUSTRATION BY CONNIE DILLMAN  
© LEE SNIDER/PHOTO IMAGES

Respondents were asked: "Are you personally for or against the E.C. developing toward becoming a 'United States of Europe?'" Two in three Europeans are personally "for" or "rather for" the United States of Europe. In the six original members, the figure is even higher at 70 percent.

Respondents also were asked: "After what time would you entrust the Government of Europe with the responsibility for the economy, foreign affairs and defense: immediately, in the next 10 years, over 10 and up to 20 years, over 20 and up to 30 years, after several generations, or a longer period, or never?" Forty-seven percent of the entire sample "would entrust the Government of Europe" with the responsibility in these important policy areas within the next 20 years. Fifty-eight percent (78 percent of those who replied) would do so within 30 years, that is, at the 60th anniversary of the Treaties of Rome. Sixteen percent were against such a development, or at least within their own life span. Twenty-six percent chose not to reply.

Another question—"In the case of an election for the Head of Government of Europe, is it possible that you would vote for a candidate who was not [of your nationality] or would you rule this out?"—also brought some surprising results. For example, 65 percent of the French citizens polled said they could vote for a non-French candidate, an impressive figure in view of this country's position in former years.

### European Unity and National Identity

In order to measure the basic attitudes of the respondents toward the idea of European unification, they were asked to choose between two "extreme" opinions and to define their position on a scale of 1 to 7. The first stated: "If one day the countries of Europe were really united, this would mark the end of our national, historic, cultural identity and our own national economic interest would be sacrificed." To this was contrasted: "The only way of protecting our national, cultural, historical identities and our national economic interests against a challenge put up by the great world powers is for the countries of Europe to become truly united."

The results show Europeans are clearly more oriented toward the latter opinion. Fifty-five percent chose 5, 6 and 7 on the scale. Twenty-one percent, that is one in five Europeans, believe that European unity implies the sacrifice of national identity and economic interests.

Results from other questions confirm insights gained with other Eurobarometer surveys on the differences between national public opinions. Luxembourgers, for instance, are strongly in favor of more European unity. And the Danes are clearly skeptical, many of them even hostile, to the idea. All new members are still somewhat less enthusiastic than the "Old Six." But Spain and Portugal show more "European orientation" than Greece and—particularly in the more recent years—Ireland. For quite some time, the Italians have been true believers in European integration.

More surprising, however, are results for the British, whose attitudes disclose a steady evolution toward clear "pro-European" positions. They have not yet reached the average of the countries that signed the Treaties in Rome 30 years ago, but they have totally reversed the basic trend in their public opinion toward the Community. Compared to their answers on the "United States of Europe" question of 17 years ago, present-day replies show a dramatic change. In 1970, 30 percent of the British were in favor, and 48 percent were against, a "United States of Europe." Today, 52 percent are in favor and only 37 percent remain hostile to the idea.

### Europe and the Young

If the survey results are broken down by age group, somewhat more alarming statistics come to the fore. For the young, "Europe"—though seen as more important and more beneficial for their respective country—is less inspiring and appears to offer a lower potential for protection than for the older age groups. (The oldest age group is slightly more enthusiastic as well.) Those below the age of 24 in 1957, when the Treaties were signed, are clearly more "European than the young."

### 10 Scenarios for January 2000

After this short but encouraging glance over their shoulders, we invited the respondents to look ahead. We presented them with 10 scenarios of how we or our children might live in January 2000 and invited them to tell us whether they believe that these scenarios "will have actually come about by then or not."

In very concrete terms, the subject matter evoked dealt with everyday life (money, television, languages spoken, the freedom of movement across the E.C.'s internal borders); with common European action to increase security (fighting ecological catastrophes, terrorism, common defense against possible external

threats); the rank and status of Europe in international relations (for example, vis-à-vis the United States or the Soviet Union); and, finally, the possibility of voting in a referendum on a European constitution or in an election for a Head of Government for Europe.

It should be underlined, first of all, that the number of those who think that none of the scenarios offered would have come true by the beginning of the next century is tiny—one in 20 interviewed—and that almost all scenarios are considered as probably realized, 13 years from now, by at least one European in two.

Eighty-three percent of the British expect the fight against terrorism in January 2000 to be fought at a European level of Government. And, they are in favor of a fully grown European Government, endowed with appropriate powers, in a United States of Europe. More than two in three Danes think alike with regard to fighting terrorism, but are afraid of a loss of national identity with respect to political union.

The French National Assembly rejected the idea of a European Defense Community in August 1954. Today, 51 percent of the French citizens polled expect a European Defense Community by January 2000. More positive yet on that score are the British: 58 percent think that 13 years from now, "our soldiers within the E.C. will have the same type of arms and equipment and will assure together the security of the E.C. against threats from the outside."

Many very interesting details of scenario results cannot be reported here, due to lack of space. One way of summing up the global result of this series of scenarios is to compare the number of affirmative answers to the 10 scenarios presented, by member country.

1. France 6.47
2. Luxembourg 6.44
3. Italy 6.23
4. United Kingdom 6.15
5. Belgium 6.08
6. Greece 5.89
7. Federal Republic of Germany 5.85
8. Spain 5.79
9. Netherlands 5.42
10. Ireland 5.42
11. Denmark 4.89
12. Portugal 4.23

Among the bigger member countries, it is France, Italy and the United Kingdom who most expect Europe to be truly united by the year 2000. Of all 12, France takes the lead, with Luxembourg the second most supportive. €

# EUROPEAN YEAR OF ENVIRONMENT EMPHASIZES NEED FOR E.C. POLICIES

IMPORTANT LEGISLATION ADOPTED, BUT MUCH REMAINS TO BE DONE.

STANLEY CLINTON DAVIS

Shortly after midnight on November 1, 1986, a fire broke out at the Sandoz chemical plant in the Swiss city of Basle on the Rhine River. During the fire-fighting operations between 10 tons and 30 tons of chemicals, including deadly mercury compounds, were washed into the river. Nothing could have demonstrated so vividly to European public opinion that pollution knows no frontiers. As the poisoned water flowed down the river, it washed the banks of the Federal Republic of Germany, France and the Netherlands before reaching the North Sea. It killed millions of fish and forced the Dutch to seek alternative water supplies.

The lessons of the Basle accident have not been lost on European Governments. The European Community already has legislation designed to reduce the risk of major accidents and to minimize their consequences. Member countries that were slow to implement the rules have hurried to put them into effect, and the Swiss—not members of the Community—immediately announced their interest in introducing similar rules.

This accident was but the latest in a series of environmental disasters bearing a similar message. The leak of dioxin at Seveso in Italy, the airborne pollution leading to the destruction of forests in Germany and the consequences of Chernobyl have all underlined the fact that pollution can spread from one country to another. Action at a national level provides no protection against a neighboring country's power station emissions, the pollution of international waters, the contamination of groundwater by pesticides or fertilizers or the dumping of oil and other waste into the sea.

It was only in 1972 that the European summit in Paris first decided that action was necessary to tackle the problems of environment on a European scale. "Eco-

omic expansion is not an end in itself," said the Heads of Government, acknowledging that the Community must look to the quality of life of its citizens and not just to their material well-being.

In the 15 years since that communique was released, E.C. environment policy has moved a long way. It has changed from being a marginal Community activity to becoming one of the central concerns of decision-making. The program began by establishing certain broad principles such as the obligation of the polluter to pay the costs of pollution and setting quality standards for the air and water. It attracted little attention and produced few political ripples.

These days, the E.C. Council of Ministers for environment questions is taking important decisions governing major industrial sectors—the chemical industry, motor manufacture, energy production and agriculture. The status of the Ministers has been enhanced and so, interestingly, has their importance on the national scene. Of course, this reflects the growing political interest in environment issues on both sides of the Atlantic; it also shows a general acceptance that the protection and improvement of the environment have to be undertaken at the European Community level.

The battle against air pollution is a special priority, with three main targets for action—emissions from power stations, motor vehicle exhausts and pollutants from heating oil.

The burning of high-sulphur coal and oil in power stations is a major source of polluting emissions such as sulphur and nitrogen oxides. All the Community's member countries now recognize that the emissions from these plants poison the atmosphere of their own and neighboring territory. Evergreen forest is becoming brown and dying in Germany and elsewhere, while the fabric of ancient buildings is eaten away by acidity. Everyone is committed to reducing the pollution, but

some more quickly than others. At the E.C. Commission, as the body responsible for policy proposals, we are trying to speed up this process, pressing for a 60-percent reduction in sulphur dioxide emissions from power stations between 1980 and 1995.

Reducing pollution at source does not come cheaply. Cleaning up a large power station involves short-term direct costs for longer-term benefits. In the same way, developing cleaner engines for motor vehicles imposes new costs on the manufacturers of cars. After difficult negotiations, agreement has been virtually reached on a set of E.C. standards for motor car engines that will substantially reduce the quantity of poisonous gases—especially nitrogen oxides—that are such a serious cause of environmental damage. All Europe's car makers are now designing their vehicles with these stricter specifications in mind.

One of the most serious environmental problems that we face is the pollution of our water resources. Europe's industry still dumps large quantities of its waste products into the water, whether by accident or design, while chemicals used in agriculture, such as nitrogen fertilizer, pesticides and herbicides, are increasingly finding their way into rivers, streams and the underground water sources that are essential for supplying modern communities.

A series of important measures has already been agreed by Environment Ministers. Target quality standards have been set for water to be used for human consumption, and it has been agreed that certain dangerous substances should be subject to strict controls to ensure that substances such as DDT, mercury and cadmium are not discharged into water.

Protecting Europe's countryside and the richness of its flora and fauna is a high priority. Substantial progress has been made to reconcile the interests of agriculture and the environment. Grants are now available to farmers to encourage them to carry out environmentally friendly improvements such as tree planting, and governments are free to compensate farmers for husbandry practices that conserve the environment at the costs of lower profits. Too much of our natural heritage is still disappearing as a result of uncontrolled developments. Community legislation for protection of birds includes measures to protect essential natural habitats and gives a further incentive for protecting wetlands and other threatened areas of outstanding importance for natural species.



The operation of chemical plants and disposal of chemical waste has come under increasing scrutiny following the Seveso and Bhopal accidents and legislation has been adopted at the Community level to deal with these two aspects of a complex industry. New rules have recently been agreed for chemical manufacturers and merchants who hold significant quantities of dangerous chemicals to give details of their safety and emergency measures, which was of special significance in the light of the Sandoz fire. Strict rules now exist requiring the industry to seek permission before it can shift chemical waste across Community frontiers or even export it outside the E.C., and there are tight controls on emissions of dangerous chemicals.

The seas surrounding Europe are too often used as a dumping ground for wastes, in the form of industrial effluent, rubbish from our cities and waste oil from ships. Effective measures can only be taken against this type of pollution by international action extending well beyond the Community, so we have been working hard to make progress in international conventions, such as the Barcelona Convention, which deals with cleaning up the Mediterranean. The

Community has been playing an increasingly important role in these organizations, as well as doing all possible at the Community level. The Commission has also proposed legislation for controlling the dumping and burning of wastes at sea.

The scope of Community environment policy is already wide and affects many aspects of the European's daily life—the cars we drive, the water we drink and the beaches where we spend our holidays, for example. Yet it needs to go further. If we are to ensure a high quality of life into the next century, we must see that environmental considerations become a central part of all economic and social policymaking, and that we increasingly commit ourselves to setting and maintaining high standards of environmental protection.

To achieve this means public awareness and public support—hence the decision of the Community leaders to designate a European Year of the Environment. This is a most valuable opportunity to bring home to people the importance of environment policy and to set in train some practical initiatives that will make a concrete difference to the quality of the world in which we live.

The initiative has been greeted with widespread support in most member

states and a whole range of activities has been organized both at the national and at the European level.

We have a special responsibility in Europe for defending and improving the environment. We live on a small continent, heavily polluted and with a high level of industrial and economic output. Within the European Community are some of the world's most industrialized nations. The resulting environmental damage can rarely be confined to one country. Chemicals and other waste products spill into the rivers and seas that we share with our neighbors; emissions from vehicles and power stations pollute the soil and streams of other countries as well as our own and—as the Chernobyl accident demonstrated—nuclear energy can pose problems far from the source of pollution.

The purpose of the European Year of the Environment is to concentrate attention on the need to tackle these problems and to achieve concrete results. We do not see it as a one-off operation, whose results fade once the Year is over; it must be a part of a new and continuing emphasis on environmental quality.

Stanley Clinton Davis is the E.C. Commissioner responsible for environmental policy.

**The aim of the European Year of the Environment is to create greater awareness and public support for Europe's natural surroundings in an effort to maintain the quality and standard of life. Below, a forest in Les Nideck, France.**



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# EUROPEAN FARMS GO HIGH TECH

## E.C.'S COMMON AGRICULTURAL POLICY PROMOTES INVESTMENT AND INNOVATION.

AXEL KRAUSE

**H**uddled around an IBM computer that was hooked up to a towering green and yellow combine harvester, François Claudot, a John Deere salesman, looked up and gestured toward a group of French farmers attending a recent farm and machinery exhibition in Paris. "This harvester, which we make in Moline, Illinois, is doing so badly in the United States," Claudot said, "that we decided to bring it over to Europe, where high-tech agriculture has a far greater future."

The computerized John Deere harvester, which sells for about 1 million francs (\$167,000 at current exchange rates), was just one item in a wide array of new, sophisticated machinery, technology and services on display at the annual exhibit, which resulted in many inquiries and some direct sales. Above all, it dramatically reinforced the overall impression that, despite all the controversy surrounding the European Community's Common Agricultural Policy (CAP), business down on the European farm was going rather well, particularly compared to the United States.

"The Common Market has always permitted us to avoid the kind of dramatic, tragic farm failures we see in the United States, and it has greatly helped maintain relative prosperity in the farm economy over here," commented Roger Picard, general secretary of the French Association of Farm Implement Builders. "The fact is, we think high-tech agriculture, including everything from new machinery to biotechnology, may do better here than in the United States," Picard said.

Although there is continuing, heated debate between officials in Washington and Brussels over which side pays more to subsidize agriculture, it has become clear that the Reagan Administration's plan to subsidize American farmers to take land out of production is having a



Massey-Ferguson has spent about \$65 million on modernizing facilities at its plant near Beauvais, France, and on developing new tractors with features such as on-board computers that control wheel spin and about a dozen other functions. Above, the 3000 series "Datatronics."

PHOTOS COURTESY MASSEY-FERGUSON

dramatic impact on U.S. agribusiness companies and banks. In the United States, aid to farmers totalled \$26 billion last year, compared to \$22 billion in the E.C. and about \$15 billion spent by Japan.

"Throughout the U.S. farm belts, many individual farmers-turned-businessmen are doing well, but many companies serving agriculture are being squeezed hard, or are failing," said a U.S. agricultural attaché in Belgium. "In Europe," the diplomat continued, "the farmers and multinationals are still profiting from the CAP—including big feed processors, like Cargill, Central Soya and Bunge, along with chemical companies, like Monsanto and Dow, and of course, the big farm implement-makers, such as John Deere, and Massey-Ferguson."

Many of the U.S. companies, but particularly their large, West European competitors, such as Unilever, Dreyfus, Renault, Fiat, Mercedes-Benz, Rhône-Poulenc, Honda and the Bull computer group are investing heavily to modernize European agriculture, and they are getting increasing support from E.C.-based banks and from farmer groups.

"This is a rough business to be in these days, regardless of what side of the Atlantic you are on, but we are more encouraged by what is happening in the Common Market," commented a senior analyst of Société Générale, one of France's largest, government-owned banks currently being denationalized. "Only the largest and the most efficient will survive, and that is the business we are going after," he said. Added a banker from Barclays of London: "Our business in the farm sector is growing so fast that we are opening a branch in Spain and Portugal every two months—the hottest area right now."

An example of what the future may hold down on the E.C. farm was the prototype of a robotic apple picker shown at the exhibit by Jean-Paul Motte, who operates a family farm and agriculture machinery company in Pertuis, France, near Aix-en-Provence. The robot is equipped with a microprocessor, infrared technology for night operation and a video camera. "We already have had expressions of interest from fruit growers in California and representatives of the Soviet Union, but our main market will be French and European farmers seeking to modernize," Motte said, adding quickly that "bringing robotics to farming assumes virtually perfectly-organized farms . . . we are not at that stage yet."

In another example of the high-tech drive, the Limagrain group of France, one

of the E.C.'s largest producers of seeds for growing fruits, flowers, grazing and beets, established a biotechnology division three years ago, and now it is among a growing number of European groups expanding into that area. "We may be behind the U.S. in electronics, but in biotechnology, we and the British pharmaceutical companies are out front," said an executive of Sanofi, a subsidiary of France's Elf-Aquitaine oil company.

The United Kingdom, experts said, already leads the world in animal embryo manipulation. What this involves is growing animal cells to create inventories of frozen embryos, allowing farmers and ranchers to run herds of purebred, genetically identical animals. And at the Federal Republic of Germany's Max Planck Institute in Cologne, successful experimentation with transplant of foreign DNA into plant cells could lead to large-scale production of corn, wheat and cereals resistant to drought, salt water or weedkillers. "But our biotech involvement also extends to improved drugs for farm animals," the Sanofi executive said. "We think we are ahead of the United States."

Computers and other forms of applied electronics for farms also has drawn considerable interest, and was much in evidence during the Paris exhibit. For example, Thierry Vannier, who heads a newly-created agricultural services division of the state-controlled Bull computer group, said that during the past several years, about 7,000 French farmers have purchased microcomputers. Mainly, they are used for handling accounting and growing number of other management tasks, but the market potential is nearly four times that amount in France alone.

"The situation is the same throughout Europe—larger, more efficient farms, often run by several people, have growing computer requirements," Vannier said, adding that the greatest potential was among grain farmers and pork and dairy producers. "We are actively going after this business, as our competitors are," he emphasized, adding that Bull is helping organize computer courses in rural high schools throughout France—with its

equipment, of course.

But in some other key agricultural areas, such as the Netherlands, the pace of developing high-tech on farms is proceeding even faster, greatly intriguing competing French farmers, who attended the exhibit. For example, Georgelet Bousseau, who operates a 65-hectare farm near Angoulême, France, was examining a wide range of automated dairy feeding and fertilizer-dosing equipment made by the Vicon group, a farm equipment company based near Amsterdam. "These machines can save me a lot of money—saving me on mistakes made in the field," Bousseau said.

Vicon is among a small group of E.C.

that control wheel spin and about a dozen other functions drew large crowds to the Massey-Ferguson stand during the Paris exhibit.

"These tractors and other equipment are getting attention, because they fit in with higher productivity on European farms," said Harold Kral, who directs the company's export operations from Lausanne, Switzerland. He said they were particularly well-adopted for large grain farms in northern France and Germany.

Behind all the technology and equipment is a powerful West European agricultural-industrial complex, which includes groups such as Picard's association in France. The groups employ an estimated 30 million people, or about 24 percent of the E.C.'s work force, and represent three to four times the numbers working on the Community's farms. None receive direct subsidies, but all have a direct interest in making sure the CAP stays in place.

The E.C. Commission, although it is pressing for reduction of the Community surpluses, partly in response to U.S. pressure, concedes that it is not planning to urge a drastic reduction in farmers. The process will be gradual, Commission sources said, noting that currently some 10.7 million people are employed on E.C. farms, equal to 8.7 of the total work force. That compares to 25 million farmers in the early 1950s. "The truth is that with unemployment reaching record levels in industry throughout the Community, it makes sense to keep people on the farms, providing a welcome safety net."

Nevertheless, some E.C. Governments, notably those of Germany and France, fearful of emerging E.C. cost-cutting reforms, have already launched plans to subsidize farmers directly out of national budgets. Some Commission sources described these plans as "re-nationalization" of European agriculture and said they may conflict with the Treaties of Rome establishing the Community.

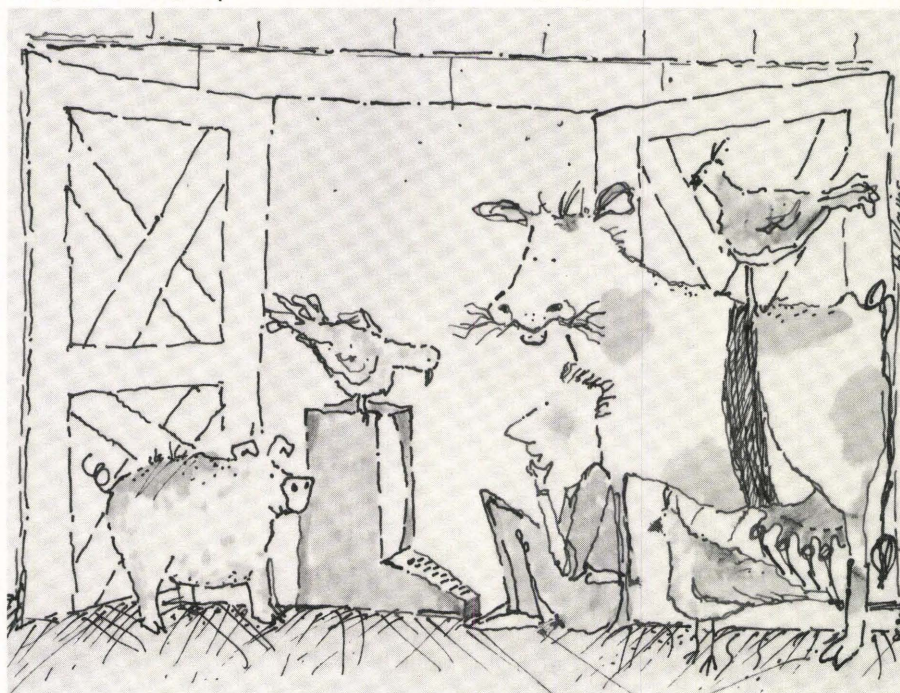


ILLUSTRATION BY HOLLY KLAINE

companies developing electronics for use in machinery for dairy production. In the Netherlands, E.C. farm experts said, 60,000 dairy farmers spend several hours daily operating and cleaning their milking machines. But what Vicon executives describe as a "cowbot" will be able to feed cows, hook them up to milking machines and clean them afterward—at almost any site, because the electronically-guided equipment is mobile. "We are not yet ready to show the prototype, because it is still under development, but it is a very promising project," a company executive said.

In the meantime, many large farm-implement makers have greatly improved the level of sophistication in more mundane, but big-ticket items, such as tractors. Massey-Ferguson, a subsidiary of Varity Corp., a Canadian agribusiness multinational, has spent about \$65 million on developing new tractors, and modernized facilities at its plant near Beauvais, France. Two small, on-board computers

Axel Krause is the economics correspondent of the *International Herald Tribune*.

MEMBER STATE REPORT/OVERVIEW

# DENMARK

PREPARING TO PAY THE PIPER  
FOR RECENT YEARS OF PROSPERITY.



LEIF BECK FALLESEN

**F**or years Denmark was the economic showpiece of Western Europe. Foreign politicians and journalists spoke and wrote about the Danish miracle. Growth rates far above the E.C. average, a sharp drop in unemployment and universal signs of stability and affluence. Now things are changing and Denmark is returning to borrow on the international markets. Meanwhile, many Danish businessmen do not believe that the present value of the Danish krone can be sustained. Some fear a devaluation, while some positively want one.

Politically, splits within the Government are emerging, damaging the politi-



The Danish presidency of the E.C. later this year will concentrate on challenges in trade, the completion of the internal market and the strengthening of the European Monetary System. Left, the Amalienborg Palace, above, the Rosenberg Palace, both in Copenhagen.

cal stability that was the hallmark of Prime Minister Poul Schlüter's Administration for close to four and a half years. Constitutionally, elections have to be called in Denmark in January 1989. The Prime Minister has said that he intends to come as close to that limit as possible, but most observers believe that he will exercise his right to call an election sometime in November. This will allow him to open the parliamentary session and present an election program.

In fact, the election campaign has been in progress all spring, with the four parties maneuvering for position. Opinion polls agree that the total strength of the Government has been eroded and that there may be no clear majority of the

present four-party coalition and its steady parliamentary partner, the radical Liberals, after an election. The support of the right-wing, anti-tax Progress party may be required to produce a majority, but the Radical-Liberal party may not tolerate that position.

The opposition does not share a common platform, and that factor obviously works in favor of the present Government. The Social Democrats, still Denmark's largest party and traditionally the leading member of most Danish Governments for the past 50 years, will not form a Government with the left-wing Socialist People's party. That coalition does not

Leif Beck Fallesen is the economic director of the *Borsen* newspaper in Copenhagen.

have a chance of winning anyway, according to the opinion polls. At the same time, other parties on the left will cause a split in the vote, with the dark horse being the maverick Common Course party led by the highly charismatic president of the Seamen's Union, Preben Moeller Hansen.

The most likely result is thus a weaker coalition Government of the present variety, or an even weaker Socialist minority Government, both groping for majorities in a strongly divided and unruly Parliament. Whatever happens, it cannot be disputed that the Danes have managed to pass from crisis to crisis on a deluxe standard enjoyed by few others.

Continued on page 46.

## DANES PRESERVE HISTORIC BUILDINGS IN URBAN RENEWAL

**T**he center of Copenhagen is living through a quiet revolution. More and more effort is being put into urban renewal, based on complete renovation of houses that are often over 300 years old. It sometimes costs more to renovate than to build new apartment buildings, but both the city and national Governments promote conservation of the old, partly because of a new reverence for the irreplaceable city atmosphere, partly for sound long-term financial reasons.

Much of the urban renewal of Copenhagen is concentrated in and around the old port of the city. Containerization has moved ships far away from the center of Copenhagen, and now allows the old warehouses and other buildings to dream of rejuvenation as luxury apartment and office buildings. 16th-century buildings of the Danish East India Company have been put to use in completely renovated form by the Danish Foreign Ministry, and others have become hotels with a very special maritime atmosphere. The result is a clean, beautiful heart of Copenhagen, supporting the trend among the young and fashionable to move from the suburbs back to the city, the center of work and entertainment.

For the city Governments, not only in Copenhagen, but also in most other larger Danish cities, this is a highly satisfactory state of affairs. The move to the suburbs had eroded the tax bases of cities, creating a downward spiral of fewer services and higher taxes, leaving large cities with the less well-to-do and costly elderly citizens. Now the move is in the opposite direction, supported by lenient

legal rules on the sale of apartments in older houses qualifying for national historic preservation treatment.

The national Government is happy about urban renewal because it is one of the least costly forms of consumption in terms of the balance of payments. On average, only about 10 percent of spending on renovation of housing calls for imports, only a fraction of other forms of expenditure. Furthermore, owners of flats and houses being renovated usually end up spending much more money on housing than ever before, leaving less for general consumption.

The Danes already have one of the world's highest consumptions of housing, measured in square meters per person. Real slums are history in Denmark today, but in the mortgage financing institutes it is still estimated that between 800,000 and one million (or one in five) Danes live in substandard housing. Special efforts are being made in the former villages very close to the city centers. Here an intense village or small-town impression is now being actively preserved. The Danes never really did like high-rise buildings—the typical dream is a small house, usually with only one story. In many of the older houses, the living area is not large, but distributed on three floors or more, providing novel opportunities for living and leisure.

The facts bear out the growing interest. In 1983, only 34 local city Governments—about one in 10—had active urban renewal programs. This year, more than 100—or one in three—have plans to prepare to draw on national government subsidies.—LEIF BECK FALLESEN



The Danes are rediscovering the beauty of their old and historic architecture, and renovation of old buildings is being actively promoted by the national and many city Governments. Above, a street in the city of Arhus.

## DENMARK PREPARES TO ASSUME E.C. PRESIDENCY

**T**he Danes have not become mushy Europeans. But certainly, a far more pragmatic approach to integration in general will be taken when Denmark takes over the E.C. presidency—on July 1—than the last time the Danes were at the E.C. helm. The government's victory in last year's referendum on the Single European Act proves this. The opposition to the E.C. in Denmark is now relatively feeble, and even the well-organized People's Movement

against the E.C. finds the going extremely tough.

The possibility of Denmark leaving the E.C. is now a dead issue, and attention is focusing on more constructive questions such as how the Danes may benefit from E.C. technology programs and the program to complete the internal market by 1992. The only real area of conflict that may be in the cards is the environment, where the E.C. theoretically may not respect very strict Danish standards. One

important reason is that the Danish Social Democrats, who after a lot of wavering asked voters to vote "no" on the Single European Act last year, have moved to a distinctly more positive stance.

The Danish E.C. presidency will respond to challenges on trade in a clearly liberal, free-trade manner. More than 40 percent of the Danish gross national product is based on foreign trade—three times as large a percentage as in the United States. Denmark is less protectionist than other European countries. There have been no basic industries to offer protection, and subsidies have remained at a relatively modest level. The Danes will definitely try to act as a buffer between the United States and the more



protection-prone, larger E.C. countries.

The Danes will not ask for major increases in the national contributions to the E.C. budget, though it is vital to Danish interests to keep the costly Common Agricultural Policy afloat. Denmark is one of the main benefactors of that policy, and would almost certainly never have become a member of the E.C. if it had not existed. The Danes will prefer a continued adjustment of the subsidies with the aim of curbing supply. But Danish farmers are, like most other E.C. farmers now, in dire economic straits, and it will definitely not be easy.

This means that proposals that do not cost government money will get a high priority. The Danes are strongly in favor

of the E.C. plan to establish an internal market in many new fields and to tear down trade barriers in many traditional areas by 1992. Especially in high technology, including telecommunications, there is a need to give more stimulus to a free European market, and as Denmark does not produce cars and aircraft, it does not face the same strong demands of national interest as many other European countries. In the financial markets, Denmark has moved rapidly toward more liberal and deregulated conditions, hoping to make Copenhagen at least a regional financial center.

Denmark will also support a strengthening of the European Monetary System, especially if it gives hope of more stability

in international monetary relations. Very large drops in the dollar threaten the position of the Danish krone in the system, and Danish exporters consider the volatile exchange both costly and dangerous to their market planning.

E.C. Commission President Jacques Delors will get little support, however, for his views on the need for an E.C. approach to European security in the shadow of U.S.-Soviet negotiations. E.C. involvement in defense and joint armaments production are two of the few remaining taboos in the Danish debate. But even that may change if and when the Europeans in the North Atlantic Treaty Organization opt for a more coordinated effort.—LEIF BECK FALLESEN



Some 30 million tons of excess steelmaking capacity must be cut—and tens of thousands of jobs eliminated—if Europe's steel mills are to regain their competitiveness, E.C. Industry Commissioner Karl-Heinz Narjes said recently.

# NEWS OF THE E.C.

## INDUSTRY

### COUNCIL CALLS FOR MORE STEEL CLOSURES

European Community Industry Ministers decided in March that there must be early, mass closures of steel plants throughout West Europe which will mean thousands of job losses. The Ministers met to discuss a plan for voluntary closures in the present period of over-capacity in steel manufacture which was drawn up by Eurofer, a lobby group.

Eurofer's plan was calculated to lead to the loss of about 22,000 jobs. But the Ministers adopted a resolution, made available to journalists, which

said the proposed closures "remain considerably below the surplus in capacity." It asked the E.C. Commission to consult quickly with Eurofer and major companies in the steel sector, and with governments, to pinpoint scope for further capacity reductions beyond 15.26 million tons a year identified by Eurofer.

Ministers said extra cuts were particularly necessary in the sort of heavy products made in huge steel plants, closure of which could prove a political bombshell in any E.C. member state. They also asked the Commission to draw up a new system of steel production quotas to protect vulnerable E.C. firms from the full rigors of open competition.

Commission sources said any new system would cover only heavy products which represent about 45 percent of the market instead of 65 percent under the present system. The Council hopes to approve a closure program when it meets again in Brussels on June 1,

sources said.

The Eurofer plan depends on steel firms being fully compensated for redundancy and other social costs of plant closures, but the sources said ministers felt some of the money would have to come from steel companies. Industry Commissioner Karl-Heinz Narjes told the Ministers capacity was 30 million tons in excess of requirements, and that this excess should be eliminated by the end of 1990. Narjes said the Eurofer plan particularly failed to pinpoint the scope for closure in heavy hot-rolled wide-strip products, usually manufactured in giant plants employing thousands of workers.

The sources said no Minister challenged Narjes' argument that four or five hot-rolled wide-strip production lines would have to close. They said the Council agreed that the Eurofer plan should be expanded and developed through meetings between the industry, the Commission and representatives of member states.—Reuters

## FOREIGN AFFAIRS

### TURKEY MAKES FORMAL MEMBERSHIP BID

Turkey made a formal application to join the European Community on April 14, beginning a process that may take more than a decade to complete. Turkey's Minister of State in charge of relations with the Community said that he had submitted his country's application to become the 13th member of the Community at a meeting with Belgian Foreign Minister Leo Tindemans, who is current President of the Community's Council of Ministers.

"This is an historic moment for my country," said Bozer, adding that he hoped the Community would agree soon to Turkey's entry. But Community officials say the Turkish application has been made in the face



of fierce resistance by Greece, and against the advice of other member states who feel that it is premature. Their opposition and the lengthy bureaucratic process leading up to entry make it unlikely that Turkey will be able to join the E.C. this century, they said.

Bozer said at his meeting with Tindemans he had "reaffirmed the determination of my country to join the European Community and the determination of the Turkish people to share in its destiny. We hope for an affirmative response in the near future." In remarks to the press, Tindemans said that he would proceed in an "objective and non-discriminatory manner" to follow the procedures of the Council of Ministers. Diplomats interpreted this to mean that Turkey's application would be fairly considered in spite of deep reservations within the Community about the move.

The Council will deliberate on the application while consulting with Commission legal experts, and will then decide whether to forward the application to the Commission. Only seven of the 12 E.C. Foreign Ministers need to give their approval for the application to proceed. Once the Commission has reached a decision, the application would go back to the Council for further study. The whole preparatory phase could take from three to four years, a Council spokesperson said.—*Reuters.*

## E.C. CALLS FOR SOVIET WITHDRAWAL FROM AFGHANISTAN

The European Community called on March 16 for a complete withdrawal of Soviet troops from Afghanistan, and reiterated its support for the efforts being made by the United Nations to bring an end to the conflict.

Meeting in Brussels, Foreign Ministers of the E.C. member states issued a declaration expressing the "strong hope" that ongoing negotiations will result

in "a satisfactory agreement involving the rapid and total withdrawal of Soviet troops on the basis of an irrevocable timetable." The Foreign Ministers noted that such a withdrawal of troops was "the essential precondition" to ending the warfare in Afghanistan and restoring the right of self-determination to the Afghani people.

Soviet troops were sent into Afghanistan in December, 1979, in a move that began a long conflict with guerilla resistance fighters. Most of the guerillas are operating out of regions near the border with Pakistan, and some 3 million Afghan refugees have settled in these areas or in Pakistan itself. The Pakistani Government in

considered these actions "to be incompatible with the spirit of the negotiations." The E.C. also underscored its respect for the "responsible attitude and moderation which the Pakistani Government has displayed under the circumstances."

## TRADE

### E.C. RECORDS FIRST TRADE SURPLUS

The European Community recorded its first-ever trade surplus in 1986, the result of a steeper fall in the value of imports (down 17 percent) than of exports (down 10 percent), according to the E.C. statistics

trade surplus for manufactures.

Eurostat said in March that 1986 was a year of "major structural change" in the pattern of world trade due to a transfer of purchasing power away from net exporters of fuel and raw materials and a big realignment in the value of major currencies. In addition to the sharp fall in the price of oil, other commodity prices also drifted downward in dollar terms.

The dollar declined in value against the European Currency Unit (ECU) throughout 1986, and by the end of the year was 35 percent below its high point of March 1985. The consequence of these changes was a 48 percent fall in the price of fuel imports and a 21 percent



An Afghan guerrilla commander lines up his men in eastern Afghanistan's Jagdalak valley before dividing them into attack groups for an assault on a nearby Afghan Army outpost last July.

Islamabad does not recognize the Soviet-backed Afghani Government in Kabul.

In its declaration, the E.C. condemned armed attacks launched from Afghanistan in late February that were deliberately directed against civilian targets in Pakistan. These attacks caused numerous casualties among the Pakistani population as well as the Afghani refugees, and the E.C. said it

office Eurostat. The E.C. showed a trade surplus of 5 billion European Currency Units (ECU) (about \$5.5 billion) for 1986, up from a 1985 trade deficit of 28 billion ECU. The improvement of 33 billion ECU can be ascribed to a 52 billion ECU improvement in the fuel account and a 6 billion ECU improvement for other primary products, offset by a deterioration of 25 billion ECU in the

fall in those of other non-food commodities (in ECU terms). Although the E.C.'s trade balance has benefited from this, it has been at the cost of a continuing decline in exports to many of the E.C.'s traditional markets.

The E.C.'s import bill fell 17 percent from 406 billion ECU in 1985 to an estimated 335 billion ECU in 1986. This was the steepest yearly decline in percentage terms in the history of

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the Community. In volume terms, imports actually rose by 7 percent, but this was completely submerged by a reduction in the price of imports of 23 percent. In 1985, fuel imports at around 120 billion ECU were around 30 percent of total imports. In 1986, fuel imports declined 2 percent in volume terms but cost only 61 billion ECU. They accounted for just 18 percent of all imports. Similarly, imports of other raw materials fell 22 percent from 42 billion ECU to 33 billion ECU, on a volume of around 2 percent less. Imports of food, beverages and tobacco were 8 percent lower, at 35 billion ECU. On the other hand, imports of manufactures rose 1 percent in value terms and 8 percent in volume terms. At 185 billion ECU, they represented 55 percent of the total.

Imports from developing countries fell 30 percent to around 109 billion ECU, or about 32 percent of the total, due to a 36 percent price decline. Imports from OPEC fell 45 percent, those from the Mediterranean Basin and the African, Caribbean and Pacific (ACP) countries both fell by around 35 percent, and imports from Latin America were 32 percent lower. In contrast, imports from the newly-industrializing countries of the Far East rose 4 percent, and in the second half of 1986 imports from them were 19 percent higher than those of the corresponding period in 1985.

At 197 billion ECU, or 7 percent lower than in 1985, imports from industrialized countries accounted for 59 percent of total imports. Imports from the United States fell 18 percent to 56 billion ECU, and those from the European Free Trade Association fell 4 percent, to 79 billion ECU. As yet unaffected by the rise in the value of the yen, imports from Japan rose 16 percent to 33 billion ECU. Imports from state trading countries in 1986 were 22 percent lower, at 30 billion ECU.

The United States recorded imports of 395 billion ECU in 1986, a decline of 17 percent by value but an increase of 7 percent by volume. Raw materials and fuel represented a mu

higher proportion of Japan's imports, so it is not surprising that its imports declined 26 percent to 128 billion ECU. In volume terms, its imports rose by 12 percent.

E.C. exports to all third countries fell 10 percent from 379 billion ECU in 1985 to an estimated 340 billion ECU in 1986. There was a 5 percent reduction in export volume. This was the first year-on-year decline in the value of exports since the Community was founded, though export volume also declined in 1970 and 1975.

Sales to industrialized countries declined by 6 percent to 205 billion ECU (excluding the United States, the decline would have been only 2 percent). Exports to EFTA rose 3 percent to 87 billion ECU and those to Japan rose by 9 percent to 11 billion ECU. In contrast, exports to the United States fell 12 percent to 75 billion ECU.

Exports to developing countries declined by 17 percent to 108 billion ECU. E.C. exports to the OPEC countries were 27 percent lower at 35 billion ECU, and the steep decline in the price of oil meant that the E.C. actually

ran a trade surplus with them in the second half of 1986. Exports to the countries of the Mediterranean Basin fell 18 percent to 36 billion ECU, while those to the ACP countries fell 17 percent to 16 billion ECU. On the other hand, exports to Latin America declined by only 6 percent to 14 billion ECU and those to the newly-industrializing countries of the Far East were 7 percent lower, at 18 billion ECU.

## BUSINESS

### E.C. HALTS LEGAL ACTION AGAINST AIRLINES

The E.C. said on April 9 that it had shelved threatened legal action against three E.C. airlines, after they agreed to change practices that restrict competition in the heavily-protected sector. In a statement, the Commission spelled out tough demands it will be putting to carriers in talks on liberalizing E.C. air transport and bringing down air fares, warning new legal moves were possible if

they refused to comply.

The Commission said Germany's Lufthansa, Alitalia of Italy and Olympic Airways of Greece had confirmed in the last few days that they were prepared to modify agreements and restrictive practices with other E.C. airlines without delay. They agreed to make the changes after the Commission on March 18 gave them three weeks in which to show readiness to discuss the issue or face legal action that could have led to suits before the European Court of Justice in Luxembourg.

The three were part of a group of 10 Community airlines to which the Commission wrote last summer warning that agreements such as capacity- and revenue-sharing accords broke E.C. competition rules. The seven others, which include British Airways, Air France and KLM of the Netherlands, have already agreed to hold talks with the Commission on bringing such practices into line with the rules. A Commission spokesman said the authority was also discussing similar changes with the Spanish airline Iberia.



The Commission said that as a first step it wanted the 10 carriers to eliminate the most serious distortions of competition caused by the current practices and agreements, adding that it would hold intensive discussions with them in the next weeks to define exactly what changes each must make. The demands it will be putting to the airlines go further towards liberalization than proposals that are currently the subject of difficult negotiations among E.C. Transport Ministers.

The Commission said it expected carriers to limit drastically revenue pooling between them, to scrap all capacity-sharing provisions and to abandon agreements on fare types and levels. It warned that it reserved the right to renew legal moves against any airlines that refused to make the changes voluntarily. —Reuters

## CHEAPER EUROPEAN AIR FARES NEAR

The prospect of cheaper European air fares moved nearer



"Dallas" does Denmark: American imports now account for some 30 percent of European television programming.

COURTESY CBS ENTERTAINMENT

realization on March 24 when European Community Transport Ministers broke a deadlock on liberalizing the E.C.'s heavily-regulated air transport sector. Belgian Communications Minister Herman De Croo said the Council of Ministers reached agreement on what conditions should be attached to proposed new discount and so-called "deep discount", or very cheap, tariffs following months of negotiations.

"We are now in take-off position for a more liberal sky in Europe," said De Croo, who is chairing the talks. West German Transport Minister Jürgen Warnke hailed the accord as a breakthrough.

The agreement puts in place the first element in a complex package of liberalization measures drawn up by the Commission, which wants airlines to

**Travellers in European airports like Frankfurt, left, should find airfares dropping in the future as Europe's skies become more liberalized.**

end restrictive practices such as fare-fixing and capacity-sharing agreements. The new fares deal will not go into effect, however, until the Council has agreed on the rest of the package. Warnke told journalists he expected an overall accord at the Ministers' next meeting at the end of June, the deadline set last week by the Commission for governments to wrap up an acceptable package.

The Commission has said it will withdraw its offer to grant airlines temporary exemption from the E.C.'s competition rules if the Council fails to meet the deadline, or agrees on measures that do not go far enough towards introducing genuine competition.

Some details of the tariffs accord still have to be finalized, but De Croo said he foresaw no major problems. Diplomats said the issue was complicated by strong opposition from the Commission, the Netherlands and Ireland to a clause that they fear would enable governments

to block economy fares proposed by other E.C. airlines flying to their country. The economy fare will be used as the yardstick for setting cheap fares. Under the agreement, airlines would be able to set discount fares at anywhere between 65 and 90 percent of the normal economy tariff, and deep-discount prices at between 45 to 65 percent of the economy fare.

De Croo said ministers also made progress on certain other technical details of the package but diplomats said difficult talks were expected on a number of other key issues. He also said there were no grounds for fears, as expressed by pilots' associations last week, that air safety would suffer under a more liberal regime as commercial pressures became uppermost in airlines' minds.

E.C. Transport Commissioner Stanley Clinton Davis said the accord "represents a big step forward in making scheduled air travel widely available." He said the major innovation in the package was that it introduced fares at less than half-price for people traveling during off-peak hours, whereas bargain fares were currently available only to those staying away for a weekend or longer. "It is equivalent to introducing the cheap day return (now available on some railways and buses) for air travelers," he said. —Reuters

## SOCIETY

### EUROPE TO CELEBRATE CINEMA AND TV IN 1988

Carlo Ripa di Meana, the European Commissioner responsible for culture, information and communication in the European Community, presented the plan for the 1988 European Cinema and Television Year in Rome recently. "The culture, language, habits and customs of a country are spread and become known mainly through the media, especially the audio-visual media," said di Meana. "This is



COURTESY LUFTHANSA GERMAN AIRLINES

why we can affirm that cinema and television can play a leading role in drawing the peoples of the European Community closer together and, therefore, in the construction of Europe."

In his remarks, Commissioner di Meana noted that the earlier antagonism that existed between cinema and television is being replaced by a symbiosis between them, as happened long ago in the United States. He pointed out that, in the audio-visual field in general, and television programming in particular, Europe was far behind the United States and ran the risk of being reduced to the status of a colony. Imports now account for between 30 percent and 50 percent of the program time devoted to serials and films made for television, a situation due to the fact that American producers can count on a large, single market and can therefore offer their products at prices which are one-fifth of those demanded by Europeans.

Simone Veil, the President of the Steering Committee, went a step further and invited cinema and television producers in the E.C. member states to give proof of their willingness to cooperate and their capacity to bring about the single market, which alone can enable them to meet world competition. A key objective of the European Cinema and Television Year, in fact, is to awaken not only political circles but also cinema and television professionals to the importance of a strong and competitive industry.

The program is also aimed at reflecting the "European identity" in the audio-visual media, and enhancing creativity by developing greater contacts among Europe's many cultural centers.

## SCIENCE AND TECHNOLOGY

### ARIANE LAUNCH STILL SCHEDULED FOR JUNE

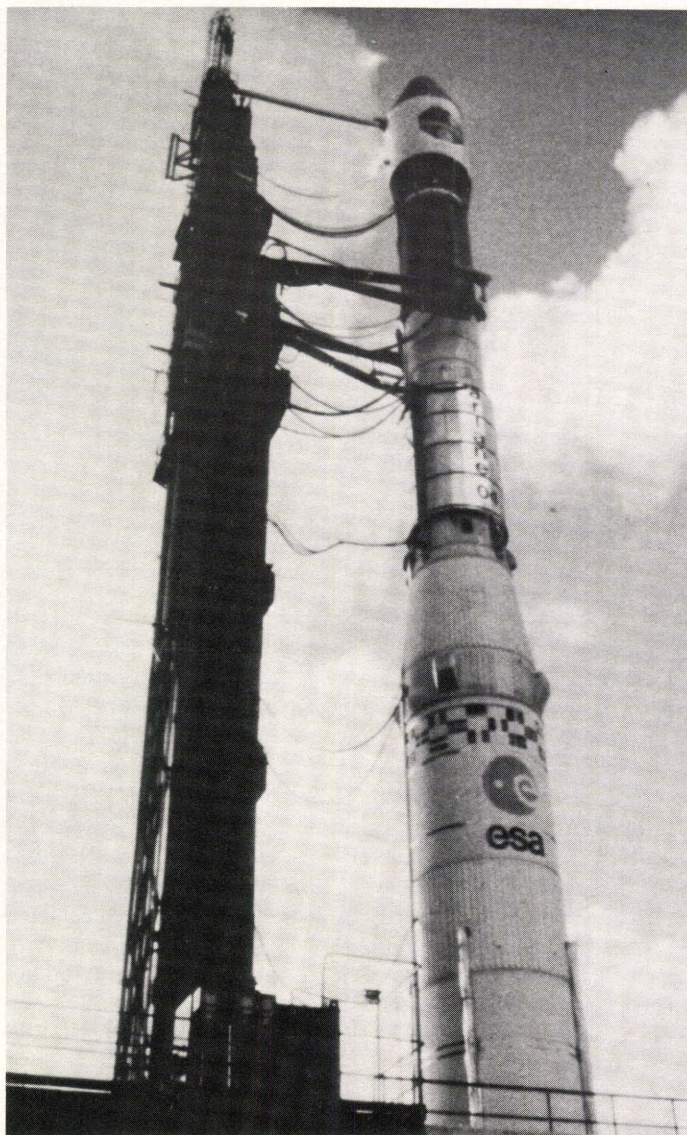
Launches of the European Ariane rocket are still sched-

uled to be resumed in June, although two tests need to be done on its third-stage engine before a date can be set, an Arianespace spokeswoman said in March. Launches from Kourou, French Guyana, have been suspended since the third-stage motor failed to ignite on the last flight in May 1986, the second time in four launches the engine had caused the mission to abort.

The spokeswoman described

curred. The spokeswoman confirmed that the launch would in principle take place around two months after the Société Européenne de Propulsion (SEP), which makes the rocket engines, declared the redesigned third stage motor ready for launch.

SEP had originally hoped to restart launches by February this year, but delays caused by extra testing of the motors and very cold weather at the test



COURTESY ARIANESPACE

The European space consortium Arianespace hopes to resume launches of its Ariane rockets from French Guyana early this summer.

as premature a report in the French daily *Le Figaro* that the next launch had been set for June 19, saying: "We don't know ourselves yet when the precise launch date will be."

Arianespace President Frédéric D'Allest said last week he hoped to resume launches in June if no further delays oc-

site hampered progress. It is now planning five launches this year, including the first launch of the extended Ariane-4 rocket, which will be capable of putting 4-ton satellites into orbit instead of the 2.3-ton satellites which the existing Ariane-3 rocket is capable of handling.—Reuters

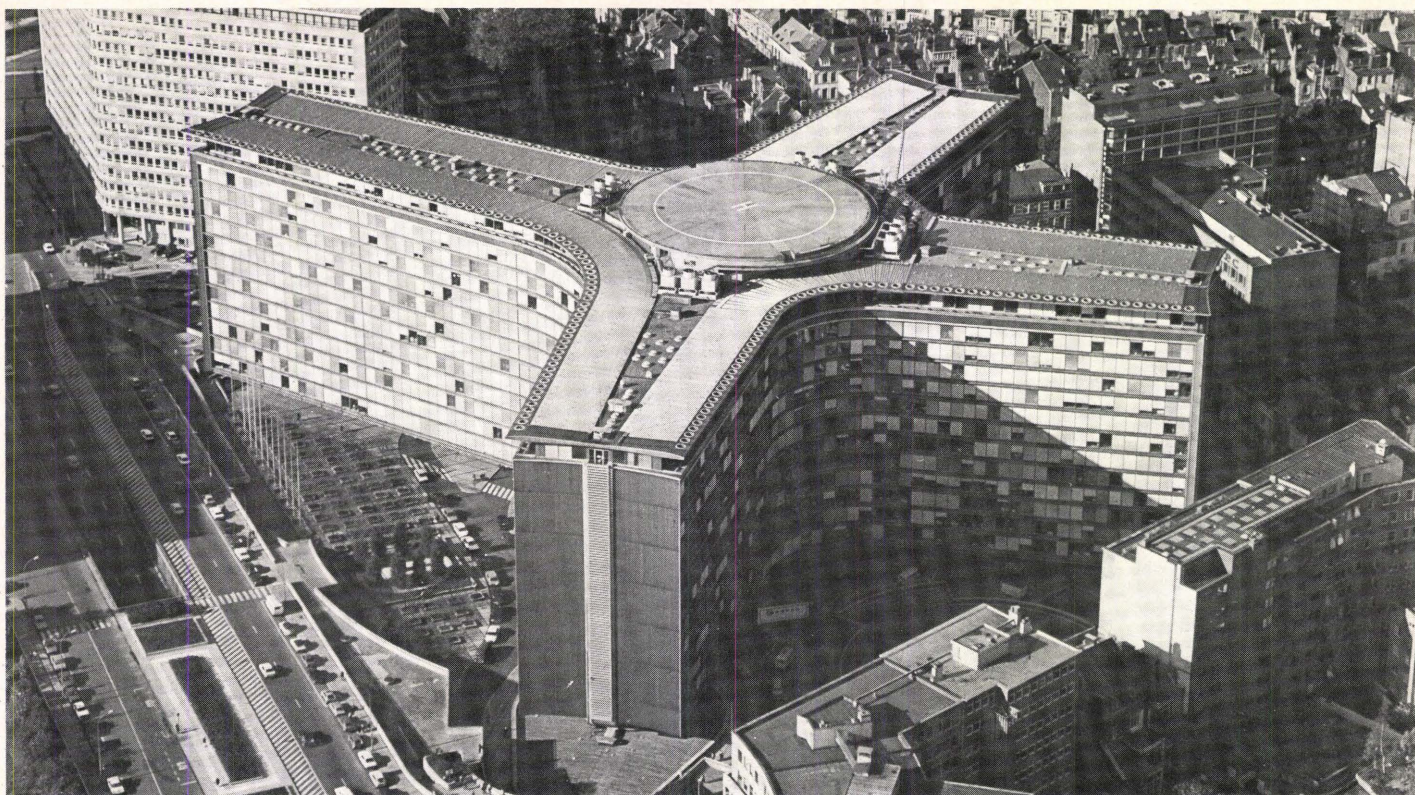
## E.C. TO BUILD NEW HEADQUARTERS

E.C. authorities gave the go-ahead this month for work to begin on a new building complex in Brussels which is expected to dwarf the existing complex of buildings that house the Community's civil servants. The \$260 million project is the first of its kind to be undertaken by the Community, as its other buildings are rented. The new complex is expected to be completed in 1992, the same year Community officials hope to complete the internal market in Europe.

Belgium, which holds the current presidency of the Community, is providing the E.C. with a free 10-acre site and will pay for associated infrastructure works, which Minister of Public Works Louis Olivier said showed Belgium's eagerness to play an even greater role as the Community's home base. The country gains major economic advantages by playing host to the Community's institutions, and Brussels has worked hard over the years to establish itself as "the capital of Europe" by welcoming the main headquarters of the E.C., the North Atlantic Treaty Organization (NATO), and a number of multinational companies.

The new 10-story complex will be built by Belgium's top 15 construction firms, and will drastically change the look of the area. The city plans to rip up roads and redesign the street plan, and will build an underground traffic tunnel at a cost of some \$66 million. Olivier said that the city had promised to buy back the building if the E.C. ever decided to leave Brussels.

The complex is intended to house the growing body of E.C. civil servants already based in Brussels, but some local city officials and E.C. staff say they hope it will eventually accommodate more of the Community's entire civil servant staff, which is now split between Brussels, Luxembourg and Strasbourg.



The complex of E.C. buildings in Brussels that includes the Berlaymont, above, is being replaced.

Brussels is currently the main E.C. administrative center. The Commission, the E.C.'s executive body employing 11,000 people, is centered in a sprawling, cross-shaped building known as the Berlaymont. The Council of Ministers, the E.C.'s policy-making branch, is based in the Charlemagne building across the street. Its 2,000 employees are to be moved into the new complex, leaving their building to absorb the expanding Commission. Nearby is the European Parliament Committee Building, which houses another 300 E.C. civil servants. Strasbourg in France is the Parliament's official home and Luxembourg is yet another base, housing the European Court of Justice, occasional ministerial meetings and administrative offices. —Reuters

## TRADE

### E.C. ISSUES LIST OF UNFAIR U.S. TRADE PRACTICES

The E.C. issued a new report in early April on U.S. trade practices that impede E.C. exports. The report, while not exhaus-

sive, identifies more than 30 measures that the Community considers trade obstacles, including tariffs, import quotas, customs barriers, public procurement policies, countervailing and anti-dumping duties procedures, export subsidies and tax barriers. "These measures mean a considerable loss for European businesses," said Willy De Clercq, the E.C. Commissioner responsible for external relations.

The report updates a previous list issued by the Community in December 1985. Its presentation is similar to that of the Report on Foreign Trade Barriers issued in November 1986 by the Office of the U.S. Trade Representative.

The purpose of the report is to make it clear that trade practices which impede exports are not a problem faced only by U.S. exporters. Europeans face similar problems in the United States, and unilateral action outside the international trading rules against "unfair trade practices abroad" could easily be mirrored by equivalent action against U.S. exports.

The report notes that the United States is the Community's largest trading partner,

with U.S.-E.C. trade amounting to almost \$133 billion in 1986. Together, the Community and the United States account for 36 percent of world trade, and 60 percent of the trade between industrialized countries. "Therefore, both parties have a joint interest and responsibility for monitoring and furthering the world's free trade system," De Clercq said. "We are ready to work with the United States in eliminating trade barriers either through bilateral discussions or within the Uruguay Round of trade negotiations."

### E.C. LAUNCHES ANTI-DUMPING PROBE ON JAPANESE SEMICONDUCTORS

The European Community started investigating charges on April 9 that Japanese companies were dumping computer microchips in E.C. member states, a move which diplomats said could intensify world trade tensions. Japanese exports of microchips—more formally known as semiconductors—have already provoked a dispute in which the United States

imposed import duties amounting to some \$300 million against Japanese electronics goods.

The E.C. Commission said it would investigate a complaint by the European Electronic Components Manufacturers Association that Japanese firms appeared to be selling high-capacity semiconductors at unfairly low prices. Japan last year took 78 percent of the \$170 million E.C. market for so-called EPROM (Erasable Programmable Read Only Memory) semiconductors, up from 60 percent in 1984. The E.C. firms allege that they have been forced to offer their products at a discount of up to 30 percent in order to compete with the Japanese. An E.C. investigation could lead to duties being imposed, if it found the complaints were justified.

The Commission has already asked the World Trade Body GATT (General Agreement on Tariffs and Trade) to look into the agreement reached last year between the United States and Japan. This agreement, which the E.C. claims gives U.S. firms privileged access to the Japanese market, that is now in dispute.

In 1985, E.C. semiconductor imports were worth \$2.72 bil-

lion, of which \$1.11 billion came from the United States and \$525 million from Japan. Exports were worth \$1.25 billion. —Reuters

## E.C. URGES JAPAN TO OPEN MARKETS

The E.C. Council of Ministers recently called on Japan to open its markets further to imports of products from the Community, saying it deplored the continuing deterioration of the trade imbalance. Japan had a trade surplus of over \$21.4 billion with the E.C. in 1986.

Commissioner Willy De Clercq, who is responsible for the E.C.'s external trade relations, said after the Council meeting that there was "a sense of unease" about E.C.-Japan relations, and that the Council had adopted a strategy of pressure at the highest governmental level on Japan to open its markets.

In a statement, the Council said that it would work within

the framework of the General Agreement on Tariffs and Trade to re-establish a balance of benefits. It also stressed the need for the Japanese Government to incorporate in its economic policy objectives a quantified import target with a timetable for a significant increase in its imports of manufactured goods and processed agricultural products. It urged Tokyo to stimulate internal demand in accordance with its recently confirmed commitments, and to implement the structural reforms recommended in particular by the Maekawa report.

## E.C. CLAIMS FOUL PLAY IN AKZO CASE

The E.C. Commission charged the United States on March 20 with violating international trade rules by excluding Dutch-made fibers from the American market because of a patent dispute. The Commission said it would initiate a consultation and dispute settlement procedure in the General Agreement on Tar-

iffs and Trade (GATT).

At issue is a complaint by the Dutch firm Akzo that its synthetic fibers known as "Aramid" have been banned from the U.S. market because of charges by the American company Dupont that the fibers violate Dupont patents. Akzo says the ban (under section 337 of the U.S. Tariff Act of 1930) is discriminatory and incompatible with GATT provisions.

The E.C. Commission said that since the International Trade Commission (ITC) has jurisdiction over imported goods, E.C. producers are not as able to defend themselves as they would be in a normal U.S. court. "Consequently, the procedure followed... is less favorable than that which takes place in normal courts of law for goods produced in the United States," the Commission said, adding that it "takes the view that this constitutes an illicit commercial practice."

E.C. officials said the provision of U.S. law which allowed the ITC to ban Akzo's fibers acted as a barrier to many E.C.

exporters to the United States, and the E.C. is asking for a ruling on whether the law violates GATT rules. Commission officials did not rule out retaliatory measures against the United States if the GATT decides against it, and if the law is not then changed to come into line with international rules.

For lively and authoritative commentary on world trade and U.S.-E.C. relations from Roy Denman, Head of the European Community's Delegation in Washington, DC, write for a free subscription to the monthly newsletter *A Letter From Europe*. Contact:

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**The Institutions of the European Community.** *European File No. 11/86, Commission, Brussels, June/July 1986, 10 pages.* Description of the principal institutions, with membership figures since the accession of Spain and Portugal. **Free**

**European Unification: The Origins and Growth of the European Community.** *European Documentation No. 3/86, Commission, Brussels, 1986, 74 pages.* Basic primer on the E.C. Covers the history, aims, institutions and policies of the European Community. Available in quantity for classroom use. **Free**

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**Voting Rights in Local Elections for Community Nationals.** *Bulletin of the European Communities, Supplement No. 7/86, Commission, Brussels, 1986, 45 pages.* Report to the European Parliament on the voting rights of Community nationals resi-

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**E.C. Issues Updated List of U.S. Trade Barriers.** *European Community News No. 9/87, Office of Press and Affairs, Washington, D.C., April 2, 1987, 26 pages.* Report on U.S. trade practices that impede E.C. exports. **Free**

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**External Trade Statistical Yearbook 1986.** *Statistical office, Luxembourg, 1986, 75 pages.* Summary tables of trade data for 1958-1985. Provides general information on the position of the E.C. in world trade and in trade of non-E.C. members. Gives trends in trade broken down by geographical groups, countries, and broad commodity categories. **\$7.50**

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**The European Community: The Formative Years.** *European Perspectives, Commission, Brussels, 1986, 276 pages.* Study by Hans von der Groeben on the first eight years of the "Common Market" (1958-1966) and its problems and successes. The emphasis is on the emergence of the Community in the context of the political events of the time. It looks at the E.C. as a new system of government and examines the efforts for a Political Union in the years 1962-1965. **\$14.00**

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**Common Customs Tariff 1987.** *Official Journal of the European Communities, Vol. 29, L 345, Office of Official Publications, Luxembourg, December 8, 1986, 385 pages.* Schedule of customs duties assessed on goods entering the E.C. in 1987. **\$24.00**

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## DENMARK

Continued from page 35.

What went wrong? Four years ago, there was a ground swell of optimism in Danish industry. The Danish central bank—equivalent to the U.S. Federal Reserve—actively contributed to cutting interest rates by a third in a matter of months, causing the strongest increase in investment and employment in the E.C. More than 200,000 new jobs were created by Danish businesses over a period of four years, something only equalled in relative terms by the job machine of the United States. Growth rates in Denmark were markedly higher than in any other E.C. country. In fact, they were comparable to those of Japan and, for some years, the United States.

Unfortunately, this burst of optimism and economic activity was accompanied, and accelerated, by a strong growth in private consumption. The drop in interest rates and inflation boosted property prices, creating new sources of wealth that could be converted into consumption. And consumption in Denmark is extremely import-heavy. Producing very little of the high-value consumer goods picked up by affluent customers, 50 cents

or more of every extra dollar spent is spent on imports.

Investments are at least as high in the import contest, and adding private consumption and investment demand was the prescription for three consecutive years of a deteriorating balance of payments. The Danes have not been prepared to cut down on public consumption to make room for this added demand. For some time, the Government could satisfy itself by concentrating on the very positive development of the budget balance, though this in fact reflected to a great extent the tax revenue deriving from private over-consumption and unsustainable rates of growth in the economy.

The growth rate in 1987 in Denmark will probably be about zero, and the private sector—the engine of growth for many years—has shown negative growth for the past five or six quarters. Only renewed growth in the public sector brings the total growth rate to zero. This sharp drop in economic activity should improve the balance of payments, but at the expense of employment.

The Government has already tried to curb consumption several times over the past 18 months, and may have to do so again. Denmark already has the highest

tax rates in the world on average—marginal rates have been reduced from 73 percent to 68 percent, but this is still the highest in the E.C. on medium and high incomes. Taxes on cars equal twice their price, and taxes on electronics, wines, alcohol and tobacco have created a large border trade with the Federal Republic of Germany.

The original strategy of the government was to let the Danes—read the private sector—work and export Denmark out of its economic quandary. But the combination of the very strong krone—allied to the German mark in the European Monetary System—and the high wage rises—6 percent a year over two years—given by private and government employers at the biennial negotiations this spring, make life almost impossible for Danish exports. Competitiveness of Danish industry may be reduced by 10 percent this year. Barring a major devaluation of the Danish krone—which the Government and the two main opposition parties will not accept—there seems little alternative to further tax hikes in the coming years. The Danes have one of the largest public sectors in the world, but for politicians and economists alike there is one problem: They love it. €

## CONVENTIONS

Continued from page 21.

renowned around the world for its meeting and exhibition facilities. There are 27 Brussels hotels with conference facilities, 19 of which are first-class hotels with a total capacity of 5,000 luxury rooms. In addition to the hotel facilities, there are three separate conference centers, with space for up to 6,000 participants within a single complex.

Among the major conferences to have taken place here over the past two years are the Ninth International Congress of Cytology; the Congress of the European Dialysis and Transplant Association; the International Navigation Congress and the Fifth World Congress on Water Resources.

According to Frédérique Raeymaekers, director of the Belgian Tourist Office in New York, one of the attractions of Belgium for the corporate/incentive market is that it is relatively untapped by the American market. "We are not oversold. We are something new and attractive," she said. "Because of our status as an international business center, we are very well organized in our meeting infrastructure. We have excellent meeting and conference facilities, and this is combined with the intrinsic charms of our country—historic cities, culture, art, muse-

ums—all within a small geographic area."

Raeymaekers said Belgium is a small country removed from any association with terrorism and said, "While the dollar has declined in value here, our inflation is low, our hotels are aware of the importance of keeping a sober eye on prices and, compared to our neighboring countries, our rates are reasonable. "We are encouraged this year, with a 40-percent increase of inquiries over last year. It will not be a 1985, but certainly better than 1986," she said.

Switzerland is the financial center of Europe, with extensive capability to serve the banking and investment needs of American commercial and industrial organizations. Famous for its Alpine vistas and extensive sports and cultural opportunities, Switzerland is celebrating the 200 years' worth of experience in tourism that is responsible for the high quality of its hotels and tourist facilities.

Geneva is host to thousands of convention visitors each year. As a base for the United Nations, it has a highly developed infrastructure for meetings of every kind. Along with comprehensive meeting space in eight four- and five-star hotels, sports and university centers, the Palexpo provides meeting space for up to 2,400 and the Geneva International Conference Center for up to 1,800 people. Old-fash-

ioned and elegant, Geneva is set on the narrow tip of one of the largest lakes in Europe; the rugged Jura mountains shelter it from the north, and to the south rise the Alps, dominated by Mont Blanc. The city offers theater, music, art, excellent shopping, windsurfing, sailing, skating and easy access for skiing.

While the country's reputation as a tourist attraction has been well established for decades, Ireland has been actively involved in promoting international conference business for a relatively short time. The country is rapidly growing in popularity with this market, however. Dublin, with one-third of the country's population and a major center of culture, industry and entertainment, is now well established as an international conference venue.

Excellent hotels, restaurants, entertainment facilities and its cultural heritage, added to its easy access to scenic countryside, has drawn conferences from around the world. Dublin has two conference centers with a capacity in excess of 2,000.

These cities represent just some of the many opportunities available to companies and associations planning conventions and meetings in Europe. For more information, contact the national tourist offices in New York. €



## RECENT BOOKS

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

**Integration Through Law: Europe and the American Federal Experience. Book 1—A Political, Legal and Economic Overview.** Edited by Mauro Cappelletti et al. Walter de Gruyter, New York, 1986. 616 pp.

First of a series resulting from an international research project sponsored by the European University Institute in Florence, this volume compares the political, legal and economic situations of Europe and the United States. Case studies and surveys determine which lead to or work against the federal progression of the Community. The federal experiences of Australia, Canada, the Federal Republic of Germany and Switzerland are then described as points of comparison for European integration.

**Integration Through Law: Europe and the American Federal Experience. Book 2—Political Organs, Integration Techniques and Judicial Process.** Edited by Mauro Cappelletti et al. Walter de Gruyter, New York, 1986. 351 pp.

This second volume starts with a discussion of the political organs and the decision-making process in the E.C. and the United States. Lourdeur in terms of quantitative and substantive output is noted as the key problem in the institutional relations of the Community. Instruments for legal integration in the E.C.—such as Community competence and integrated legislation—are reviewed. Finally the impact of the judicial process on the federal union is considered in the cases of the United States and the Community.

**Integration Through Law: Europe and the American Federal Experience. Book 3—Forces and Potential for a European Identity.** Edited by Mauro Cappelletti et al. Walter de Gruyter, New York, 1986. 405 pp.

The third volume of the Florence Integration Through Law series delves into the international, socio-economic, and moral dimensions of a united Europe. The foreign affairs system of the E.C. is analyzed and contrasted with that of the United States; differences can be found in the areas of treaty making, limitations on Community power by Member States, and coordination of non-attributed powers. Migrant workers and their rights of mobility in the E.C. and the United States serves as the primary issue in the area of social and economic unity. From the moral point of view, the protection of fundamental human rights is set forth as a necessary vehicle of integration in Europe.

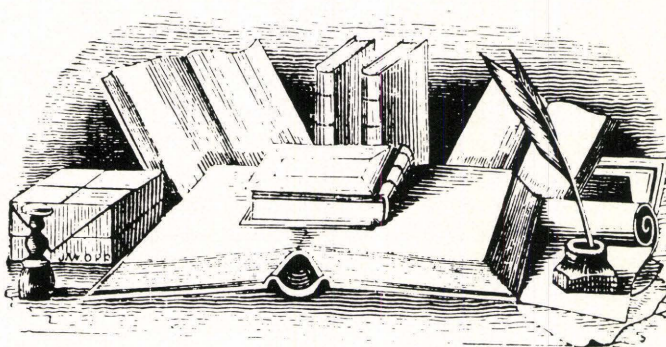
**Statistics Europe: Sources for social, economic and market research.** By Joan M. Harvey. C.B.D. Research Ltd., Beckenham, Kent, United Kingdom, 1987. 320 pp.

Compilation of statistics sources throughout Western and Eastern Europe. Sources included are the central statistical office of the country, principal libraries and information services in the country concerned as well as in other countries with relevant statistical publications, and the principal bibliographies

of statistics. This work covers the fields of production, external trade, internal distribution and trade, population, social and political indicators, finance, and environment.

**State of the World 1987: A Worldwatch Institute Report on Progress Toward a Sustainable Society.** By Lester R. Brown et al. W.W. Norton & Company, New York, 1987/268 pp. \$9.95.

This study researches the increasing problem of human utilization of the earth's resources to the extent of the destabilization of many natural systems. This report—the fourth in Worldwatch's annual series—analyzes numerous issues, including the ecology and econom-



ics of urbanization, new approaches to recycling solid wastes, the future of nuclear power after the Chernobyl incident, and the effect of privatization on the efficiency of resource use. The authors emphasize the need for immediate action to ensure the earth's future habitability.

**Reassessing Nuclear Power: The Fallout from Chernobyl.** By Christopher Flavin. Worldwatch Institute, Washington, D.C., 1987. 91 pp. \$4.00.

This study asserts that the Chernobyl nuclear disaster may mark the beginning of the end of nuclear power. Rising costs, mounting nuclear waste, and frequent plant breakdowns are also key factors in the decline of nuclear power development. Graphs and tables provide evidence of the growing realization worldwide that nuclear power is a "technology unsuited to human fallibility and open political institutions."

**Info 17: The Trade Union Movement in Spain.** European Trade Union Institute, Brussels, 1986. 68 pp. Free.

This report describes the trade union movement in Spain, starting from the introduction of the doctrines of Bakunin in Spain in 1869 to the present day situation. The study then provides a concise analysis of the composition, structure and decision making bodies of trade unions in Spain.

**Info 18: The Trade Union Move-**

**ment in Belgium.** European Trade Union Institute, Brussels, 1987. 75 pp. Free.

Following a brief historical background of three confederations in Belgium—the FGTB, the CSC, and the CGSLB—the objectives, the structures, the financing, and the programmes of these three are then outlined. Each union's role with the other trade unions, with political parties and with international organizations is described.

**U.S. International Leadership for the 21st Century: Building a National Foreign Affairs Constituency.** By Dr. J. Allen Hovey. The Atlantic Council of the United States, Washington, D.C., 1987. 55 pp.

This paper emphasizes the American underinvestment in foreign relations in terms of foreign service, foreign aid, Peace Corps, international education and private voluntary programs. Hovey asserts that to combat this deficiency two lines of action are necessary: organiza-

tion, scientific, technical and cultural fields. World War II, nuclear and conventional disarmament, international economic cooperation are examples of the topics covered.

**The Economic Problem.** By Robert L. Heilbroner and James K. Galbraith. Prentice-Hall, Inc., Englewood Cliffs, New Jersey, 1987. 735 pp.

This university level manual describes the evolution of economics starting with the theories of the great economists to America's present role in the world economy. With the aid of tables and case studies, macroeconomics and microeconomics are thoroughly discussed. The authors devote the final sections to explaining the processes, the advantages, and the disadvantages of world trade.

**Thema: Europe and the Dollar.** Introduced by Rudiger Dornbusch and Alberto Giovannini. San Paolo Bank, Turin, 1984. 227 pp.

This collection of papers is the result of a conference of economists sponsored by the Istituto Bancario San Paolo di Torino on June 4-5, 1984. The group consisting of experts from both the academic and business worlds discuss macroeconomic issues such as the creation of a new international monetary order. Other topics covered are the problem areas of disinflation, exchange rate asymmetry, and world interest rates.

**The New Commercial Policy Instrument: A Possible Response By E.E.C. Industries to Foreign Restrictive Trade Practices.** By J.M. van Hille et al. European Confederation of the Footwear Industry, Brussels, 1986. 16 pp.

With the increasing trade restrictions by the United States, Japan, and other third countries, the European Confederation of the Footwear Industry finds it essential that Community members understand the potential of regulation 2641/84 or "the new commercial policy instrument." Available in both French and English, this short document describes the procedures, as defined by regulation 2641/84, to "respond to any illicit commercial practices" and to "ensure full exercise of the Community's rights with regard to the commercial practices of third countries."

## PUBLISHED FOR THE COMMISSION

**Seventh E.C. Photovoltaic Solar Energy Conference. EUR 10939.** Edited by A. Goetzberger et al. D. Reidel Publishing Company, Dordrecht, The Netherlands, 1986. 1266 pp. \$94.50.

Proceedings of the International Conference held at Sevilla, Spain, October 27-31, 1986.

**Alternative Uses for Agricultural Surpluses. EUR 10608.** Edited by W.F. Raymond and P. Larvor. Elsevier Applied Science, Essex, 1986. 134 pp. \$33.00.

Proceedings of the Seminar on "Research and the Problems of Agricultural Surpluses in Europe" held in Brussels, Belgium, June 25-27, 1985.



## TOWARD A EUROPE WITHOUT FRONTIERS

Analyses are sometimes made of the relative strengths and weaknesses of the world's three economic "superpowers": the United States, Japan and the European Community. In my own view, there is no denying that we Europeans start with three important handicaps by comparison with the Americans and Japanese: We lack a common language; a common currency; and, paradoxical though it may seem, a common market—at least in the full sense of the term that the Treaty of Rome envisaged and that the United States and Japan enjoy. The last of these three is the one we can most readily do something about, and the present Commission decided when it took office in 1985 to do just that.

We have certain powerful factors working for us. First, what we are setting out to do amounts to putting into effect what the original six signatories of the Treaty of Rome had already committed themselves to doing and the six later signatories clearly accepted when they joined the Community. It was, no doubt, the clear understanding of what the Treaty set out to achieve that led to the coining of the phrase "the common market" as the original name by which the European Community was often known.

The truth is that the market is still not "common." But the second positive factor is that the European Community at the highest level (the European Council) has recognized both this truth and the damage it is causing to European prosperity and competitiveness. This recognition has been translated into action in two major ways. First, the European Commission has set out in detail in a White Paper

produced in June 1985 on "Completing the Internal Market" the proposals that need to be adopted to ensure that the Community will be in a position to take full advantage of the potential offered by a home market of 320 million people. Secondly, the Single European Act, representing the first formal amendments to the Treaty of Rome, gives further and final prominence to the importance of completing the job according to the Commission's White Paper program and made important changes to the decision-making process for achieving it.

So the political will, stated at the highest level in the Community and backed by the full force of the reinforced Treaty, is unquestionably present. With the ratification by all member states of the Single European Act, which we hope will be complete by the middle of 1987, the means required for translating it into action will also be in place.

In agreeing, as the Single European Act specifically states, that the objective is to create by 1992 an "area without internal frontiers" and by declaring its endorsement of the Commission's program as set out in the White Paper, the member states have recognized that the remaining obstacles to a genuinely common market—an "area without frontiers"—as identified by the Commission, must come down.

This means action in a number of areas which, surprising as it may seem to American readers who have long enjoyed the benefits of an integrated internal market, remain highly sensitive in European terms. To name a few: the removal of internal frontier controls that is implicit

in the phrase "an area without internal frontiers" means that the external frontiers of the Community will become the point at which all police and customs controls take place. This means a major adjustment in thinking for member states that have always depended on their own resources at their own frontiers to protect themselves from danger and to collect their customs and fiscal dues. It means the free circulation of animal and plant products, without further national controls, between countries with very different traditions and practices in the field of veterinary and plant health controls. It means facing up to the consequences for indirect taxation policies of the disappearance of the border controls between member states where the differences in taxation levels are currently adjusted for. All this—and much else besides—finds its way into the massive and ambitious 300-point program the Community has set itself.

This is no small task. But the commitment is there. The need for Europe to realize its full potential in order to create the prosperity from which all member states can benefit is widely recognized. The economic integration of Europe, which is what the "completion of the Internal Market" really implies, is the only framework within which this prosperity can be achieved. It is the only way, too, that the massive problem of unemployment—much more serious for Europe than for the United States—can successfully be tackled.

Lord Cockfield is Vice-President of the E.C. Commission responsible for the internal market.



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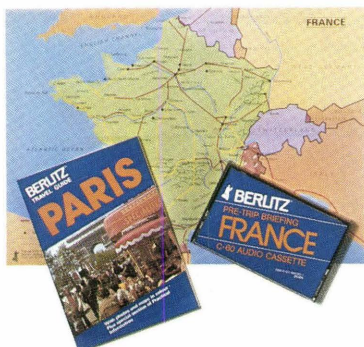
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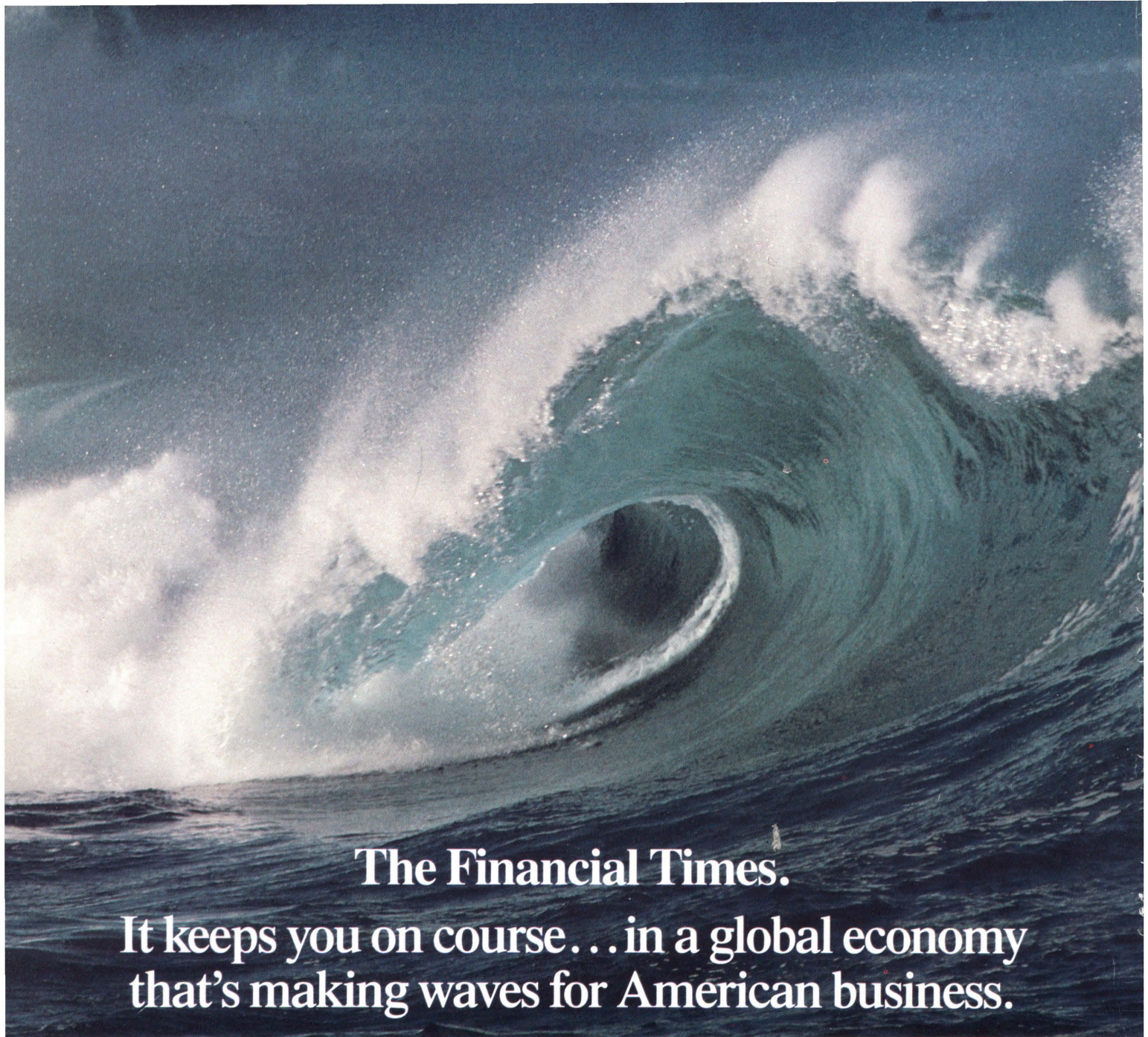
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