

# REPORTS & COMMENT

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## PUERTO RICO

A slow drift from tropical paradise has begun. Americans, American business, and American investment capital have been trickling out of Puerto Rico for some time now. Since the recent depression began, more than 300 mainland companies have pulled up stakes. Of course more than 1000 blue chip firms still have subsidiaries on the island (including a flourishing pharmaceutical industry that has made Puerto Rico the pill capital of the world), but those companies that remain aren't expanding as quickly as expected, and a number of companies that once considered building factories here have decided against it.

In the past two years, Pan Am dropped its entire New York-San Juan schedule; ITT sold its oldest foreign subsidiary, Puerto Rico Telephone

Company, to the commonwealth government; Phillips Petroleum closed its textile plant; and MacDonald's uprooted its golden arches after a long labor dispute. The Pittsburgh Pirates and the New York Mets even failed to show up last year for their annual exhibition game.

Instead of enjoying the endless boom once confidently predicted by economists, Puerto Ricans are suffering through an intractable slump—"a torrent of cold water thrown in the face of our industrial development," as one local tabloid put it. A few years ago, Americans were high-rolling under the palms. They heaped praise on Puerto Rican industrial development while Puerto Ricans lauded American enterprise and know-how. But since the onset of depression, this after-you-Gaston act has become rare. Not that there are rock-throwing demonstrators or Yankee Go Home signs. On the con-

trary, the movement for Puerto Rican independence from the United States remains minuscule, and the islanders elected in 1976 a "1000 percent" assimilationist administration under Governor Carlos Romero Barcelo.

The promoter's dream of Puerto Rico as an "investor's paradise" and "profit island" lost some of its appeal, however, when the economic reality became clear. The cost of living has risen 45 percent in three years. Unemployment may be twice as high as the officially recognized 20 percent; unions have priced wages out of Third World competition; and three out of five Puerto Rican families subsist on federally supplied food stamps. One top song on the hit parade was a *salsa* lament that went:

*Gritan las mujeres  
desde sus balcones  
estoy, estoy  
hecha con cupones!*

The women cry  
from their balconies  
I've been saved, I've been saved  
by food stamps!

The Puerto Ricans have done much for themselves. They have raised their per capita income to a near-American level; built modern roads, schools, and factories in the former "poorhouse of the Caribbean"; established a scrupulously honest civil administration; and lifted life expectancy from forty-two to sixty-eight years in just two decades. They therefore look upon their current economic plight with perplexity. After all, islanders remind you, only fifteen years ago the Kennedy Administration proudly displayed Puerto Rico to the underdeveloped world as "a showcase of democracy," a working alternative to Fidel Castro's communist revolution in neighboring Cuba. The Peace Corps had



At school in Puerto Rico

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its training center in the island's central mountains, and the Alliance for Progress tapped Puerto Ricans to serve at its highest levels.

As the frequent military coups in Latin America attest, the odds against successful, rapid modernization under orderly democracy are considerable. Yet since 1952, when the United States granted Puerto Rico self-rule under commonwealth status, industrialization and elections have coexisted peacefully. Puerto Ricans turn out on voting day by majorities of 80 and 90 percent. Of course, they sometimes take their politics too seriously: on election night four years ago shredded ballots floated down the Manati River, and in the spring of 1976 the Democratic primary caucuses broke up in fistfights between Carter and Jackson supporters. But no armed guards need stand by the voting booths, and government changes hands tranquilly if not regularly.

### Operation Bootstrap

In all but two elections since 1940, the Puerto Ricans have placed their faith in Luis Muñoz Marín's Popular Democratic party. Muñoz, who retired in 1964 after four straight terms as governor, is considered the architect of modern Puerto Rico, and it was his ambitious development scheme, Operation Bootstrap, that initiated the island's astonishing climb from its colonial status.

In order to save his beloved mountain *jibaros* (hillbillies) from the despair and destitution left by centuries of colonialism, Muñoz dedicated his long public career to importing an industrial revolution, practically piece by piece. Hardly a town or mountain pueblo exists without its concrete factory, as pervasive a symbol of America's role in Puerto Rico as the Catholic churches are of Spain's rule before the Spanish-American War. To this day, when the seventy-nine-year-old Muñoz returns to the village of Barranquitas to commemorate his father's birthday, hundreds of thousands show up to cheer him.

Muñoz worked against circumstances that remain forbidding. For one thing, Puerto Rico, a thirty-five-by-one-hundred-mile island, has 925 people per square mile. It has always been grossly overpopulated in relation to its resources. Agricultural prospects are desperately poor. Except for a narrow strip

of sugar land around the coast, the terrain is tortuously mountainous and the soil is tough red clay. To see a Puerto Rican *jibaro* wielding a machete up the sixty-degree slope of his plantain field is to understand why so many young Puerto Ricans have fled to the mainland.

The average age of Puerto Rican farmers is sixty years, and productivity is so low in the traditional "after-dinner," coffee and tobacco, economy that those products must be imported from the Dominican Republic for local consumption. As a San Juan banker said, "If you mention investment in agriculture over lunch at the Banker's Club, everyone laughs. Then they walk out on you."

In the early 1950s Muñoz and the Popular Democrats granted seventeen-year local tax exemptions to any corporation willing to locate a manufacturing plant on the island. (Under the commonwealth compact, Puerto Rico is free of federal taxes.) The goal was to create jobs and income and keep one step ahead of a Malthusian outcome. Operation Bootstrap eventually drew nearly 1800 manufacturing operations to Puerto Rico, many of which belonged to mainland firms starting out in a friendly business environment before moving into full multinational investment in Europe and Latin America.

Ironically, Operation Bootstrap now receives partial blame for Puerto Rico's inability to weather the world recession. During the first decade of industrialization, the island's Economic Development Administration, known as Fomento, was content to attract labor-intensive industries, particularly those in ladies' garment and foundation manufacturing. (Puerto Rico was commonly called the brassiere capital in those days.) But as wages steadily rose and tax exemptions expired, the first-generation Bootstrap industries began relocating in cheaper labor markets such as Taiwan and South Korea. By the middle 1960s, Fomento was obliged to change course radically and begin importing highly technological, capital-intensive industries such as pharmaceuticals and electronics.

The centerpiece of the new development strategy was a \$3 billion petrochemical industry, established on the apocryphal notion that cheap Venezuelan oil would serve as an "artificial resource base" for Puerto Rico's future growth. Had all gone as planned, the island's impressive oil refining capac-

ity, completed by 1970, would eventually have been complemented by a deep-water port for tankers and scores of so-called "downstream plants," manufacturing plastics and textiles from refined crude.

But no sooner had the oil giants converted the south coast of the island into a science fiction playground of pipes, tanks, and towers than OPEC crude oil quadrupled in price. American demand for the island's refined products dropped dramatically, and the bottom fell out of the Puerto Rican economy. The refineries cut back production and laid off workers, and plans for the superport were permanently shelved. While the island's economy struggled to absorb an estimated \$350 million loss, most of the projected downstream plants never reached the construction stage. Commonwealth Oil Refining Company, Puerto Rico's largest refiner, informed the Federal Energy Administration last summer that it would have to declare bankruptcy unless it could get a \$100 million federal bailout. Turned down by the *federales*, CORCO's survival is now in grave doubt, with a loss of 2500 jobs in the balance.

Fomento officials are understandably humiliated by the drubbing that Puerto Rico has taken in petrochemicals. Departing Fomento Director Teodoro Moscoso admitted that "our decision to go into petrochemicals was based on the thought that OPEC wouldn't work. Our projections, along with the best advice from the Department of the Interior and expert knowledge from within the industry, indicated that we'd have oil running out of our ears until the end of the century."

### "Vegetative growth"

As Muñoz's right-hand man, Kennedy's ambassador to Venezuela, and Fomento's chief intermittently for twenty-five years, Moscoso is regarded as the godfather of the modern Puerto Rican economy. The dashed petro game plan sent him into retirement, but not before he realized that Operation Bootstrap alone cannot win the race against Puerto Rico's population growth. An index of this losing struggle, he said, is that while Fomento created 135,000 new jobs over the past twenty years, the population grew by one million. With Machiavellian humor, Moscoso jokes that the only solution is to pour birth control pills into the water supply.

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At one time, the *barrios* of the mainland provided a convenient refuge for the island's excess population. More than one million Puerto Ricans live in the United States, free to come and go by dint of their American citizenship. But a combination of forces has reversed the flow in recent years, exacerbating the island's crowding. Older Puerto Ricans, living on pensions and Social Security, have returned to enjoy their retirement in the sunshine (and industrial pollution) of their native land. Second-generation "neo-Ricans" have also returned from the mainland; some are college-educated youth seeking their cultural roots, others are drug addicts fleeing the tough drug laws in New York. ("We had them coming down by the jetload," said one government official. "They were shooting up in the 747 lavatories and everything.") Still more Puerto Rican migrants have come home with newspaper filling the holes in their shoes, victims of the mainland recession, which hit Puerto Ricans as hard as it did young blacks.

The island birthrate has actually slowed down in the past five years, and "vegetative growth"—the difference between births and deaths—has all but ended. But a critical situation remains in the island's rural interior, among those whom industrialization has never reached. Outside the gleaming modern environment of the San Juan metropolitan area, one is shocked to discover pockets of extreme poverty, where thirty-year-old grandmothers cook over charcoal fires and barefoot children stand by the dozen in crude tobacco sheds, stringing leaves under the supervision of their pregnant teen-age sisters. These are the slums hidden by jungle ferns, where girls must buy their wedding cakes with food stamps and where men are tired of waiting for Operation Bootstrap to give them shoes, running water, and human dignity.

Traditionally, such places have been the most reliable strongholds of Muñoz's Popular Democrats. But last November, the dispossessed turned their backs on Muñoz's protégé, incumbent Governor Rafael Hernandez Colón, and contributed to the electoral victory of the New Progressive party of Romero Barcelo, who has long argued that a pro-statehood government would produce greater federal welfare benefits for the poor, if not jobs.

So long as outward migration bought time for Operation Bootstrap, the insular government was reluctant to challenge the power of the Catholic Church over population control. In 1960, when Muñoz mentioned that family planning might be something worth looking into, the Church inspired an anti-birth-control political party, provoking the governor's trip to Rome for an audience with the Pope. When I asked former Governor Hernandez Colón during last fall's campaign whether he thought economic depression might necessitate birth control measures, he regarded the problem as an either/or choice between democracy and totalitarianism. "Let's put it this way," he said. "It's our conviction that if family planning cannot be completely voluntary, then the alternative is worse than overpopulation—the coercion of the individual conscience by the state."

Governor Romero Barcelo also opposes population planning, and even the pro-independence leader of the democratic left, Senator Ruben Berríos, has spoken out vigorously against abortion. The genuinely conservative, Catholic nature of the island population certainly contributes to this multipartisan consensus. Asked about family planning, a typical *jibaro*, the father of fifteen, replied, "The Bible tells us that a man has a right to plan his family. His wife has the duty to do as her husband tells her. That's what family planning is all about, I believe."

### Consumerism

Population growth also goes unchecked because Puerto Rico has become a two-tiered society. One tier is the poor, underdeveloped island of the interior; the other is the dynamic, urban world of metropolitan San Juan, where Puerto Ricans have found employment and education, and integrated themselves into a new middle class. In classic *nouveau riche* fashion, San Juaneros have dissociated themselves from their country cousins.

To a visiting Yankee, San Juan epitomizes not just overpopulation but too many people striving for the admired American life-styles, too quickly and in too little space. Along with swift industrialization came a powerful media industry which sold the consumer culture, and by now islanders have blindly accepted the trappings of affluence—the television in every room, the American car in every front yard—and the

rhapsodic belief that individualism and materialism are in themselves valuable to a postcolonial people.

Set in the tranquil splendor of swaying palms and emerald waters, Puerto Rico's capital city now sprawls drearily through tacky suburban developments with neo-American names like "Country Club" and "Caparra Heights." These "urbanizations" have almost replaced the shantytowns of yesterday—except for La Perla, the famous slum of Oscar Lewis's study *La Vida*, which has been preserved, some suspect, as a tourist attraction. With the aid of federal mortgage guarantees, middle-class housing has popped up at the speed of Keystone Kops. Like many San Juaneros, a family I visited recently in the Carolina suburb of San Juan had not bothered to destroy the primitive shack standing behind their new ranch house. They proudly rolled the TV console and bedroom set into their new residence, displayed their refrigerator in the living room (as is the custom), and parked their Mustang appropriately on the new blacktop driveway.

Slapdash condominiums blight the northern shoreline, blocking not only any view of the ocean but the cool prevailing breezes which once made air-conditioning a luxury, instead of the necessity it is today. With building space at a premium, the Puerto Rican Planning Board has warned that unless growth can be arrested, the island will become "completely paved end to end with housing" and all green space will disappear by the turn of the century. What the planners didn't anticipate, however, was the Nixon freeze on federal housing programs, which brought single-family development to a smashing halt and ended the ability of most Puerto Ricans to pay for such homes. The condominium craze also stopped for the time being when the American REITs (real estate investment trusts) went bankrupt, sending a ripple of bankruptcies through the Puerto Rican construction industry and leaving thousands of workers jobless.

Even so, where the developments and condominiums end, the shopping malls begin. Puerto Rico was the first nominally underdeveloped land to accept the American concept of supermarkets. Back in the 1950s, sociologists predicted that Puerto Ricans would stay loyal to their corner *colmado* stores, where the grocer was often a personal friend and credit terms were easy. How wrong they were is shown by the fact that

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small business bankruptcies double each year, while crowds stroll under Grand Union's cathedral ceilings to piped-in tangos, plucking frozen foods and pre-packaged mainland products from the shelves. Puerto Rico has burgeoned into the fourth largest world market for American food processors.

The *taponas*—the clogs, as rush hour traffic jams are called—obstruct the first-class highways that surround the San Juan metropolitan area. The city has a population of over one million, and many San Juan residents spend more than an hour commuting each way to work. Despite the eighty-five cents a gallon gasoline price and a highly efficient system of buses, the private car remains the outstanding symbol of personal achievement among Puerto Ricans.

A sense of the island's indiscriminate modernization is conveyed by the hours of tasteless soap operas on prime-time television; by the messenger boys practicing their kung fu chops in San Juan's banking district; by the concrete canons spewing sewage into the waters at Santurce's lovely white beaches; by the pidgin *aproveche nuestra layaway plan* signs in department store windows; and by the uncollected garbage. Some months ago, garbage nearly overtook the economy as the central political issue when Romero Barcelo, then mayor of San Juan, announced in his first campaign interview that "along with the financial situation, the pickup and disposal of solid waste is the number one city, state, and national problem throughout the world."

Undoubtedly pollution, transport problems, and the exorbitant price of imported restaurant food have damaged Puerto Rico's ability to field the American tourist dollar. After three years marked by the somber closing of luxury hotels, the 1977 season was saved by Florida snowstorms and the Jewish boycott of Mexico after that country's anti-Zionist vote at the UN. Still, the commonwealth government has repeatedly been forced to buy up bankrupt hotels to preserve jobs during slack seasons and then cast around for American buyers when the weather changes.

The government is now also expected to provide a raft of other subsidies for the middle class and its aspirants. At the commonwealth's Department of

Housing are ten floors of offices, each crowded with applicants for some sort of housing subsidy. Touring one of San Juan's splendid public housing projects—row-style, brick-faced units, each with its own garden-patio—I was not surprised to see the secretary of housing's portrait hanging on living room walls when I heard that the average subsidized rent was sixty dollars per month. Yet I heard little from the residents but a litany of further demands—free electricity, free telephone, free day care, free buses, more police protection, better sewage facilities, and, of course, more regular garbage pickup.

### Cannibalism

What all this consumerism and hunger for government services means in economic terms is that internal saving in Puerto Rico has not kept pace with industrial growth. On the contrary, installment buying and easy credit terms have sapped capital formation in the private sector. The result is that Puerto Rico provides little investment in its own economy and depends more than ever on American financing. With over one billion dollars in outstanding private debt, and another billion dollars spent annually on importing American foodstuffs alone, the island is in some ways poorer than at the start of Operation Bootstrap—a kind of deluxe underdevelopment.

The government, too, has been living beyond its means, building a modern industrial welfare state on borrowed funds. Although the Puerto Rican constitution expressly forbids budget deficits, public authorities have proliferated, floating bonds that have increased the island's external public debt—rising in recent years at the alarming rate of \$500 million annually—to \$4 billion. In short, Puerto Ricans have been voraciously consuming their own economic future. Sooner or later the costs of this cannibalism would have become clear, but in the event, Moody's lowered the rating on Puerto Rican bonds to avoid a "New York situation" and the cropper came on ahead of schedule.

Last year, the commonwealth called in a team of mainland economists, led by Yale Professor James Tobin, for an outside opinion on the island's malady. The Tobin report listed high consumption, heavy borrowing, inflated wage demands, and government spending as the factors that make Puerto Rico ever

less attractive for American corporate and financial investment. "Puerto Rico faces several years of financial, fiscal, and economic austerity," the Tobin report concluded, "especially painful because they involve the postponement of expectations deeply entrenched in the economic and political life of the island during the era of rapid industrial growth and abundant external finance."

The Hernandez Colón administration accepted the verdict and increased taxes, killed construction projects, and sharply curtailed new bond offerings. But when the government promulgated a wage freeze in the public sector, strikes erupted. During the walkout at Fuentes Fluviales, the state-owned electric utility, the National Guard had to be called in to save the power stations from a rash of fire-bombings. At the nationalized telephone company, workers sabotaged \$6 million worth of equipment during last summer's contract talks.

The government had little negotiating room. Average wages in Puerto Rico are only 52 percent of mainland wages and traditional public policy has been to bring salary scales up gradually to mainland levels. While the bureaucracy is as bloated as it is anywhere else, the government was loath to increase the unemployment rolls by layoffs. At the same time, wage increases in the public sector acted as a bellwether in the private, driving American companies away. As the Tobin report noted, "What the island faces is not a conventional labor-management dispute over the division of an ample pie, but a difficult struggle to keep the pie itself large and growing."

Hernandez Colón took the classical road of austerity to win back the trust of American investors. But commanding sacrifice of the Puerto Ricans proved a chastening task. It led to Hernandez Colón's downfall and the election victory of Romero Barcelo, an amicable, folksy politician who has promised the return of good times through tax relief, food stamp benefits, and recovery in construction. The latter, he has said, can be financed by returning the telephone company to private hands and using the profits from the sale to begin new building projects. Romero's hope rests on the belief that if he can get the economy moving again, the unions will temper their wage demands.

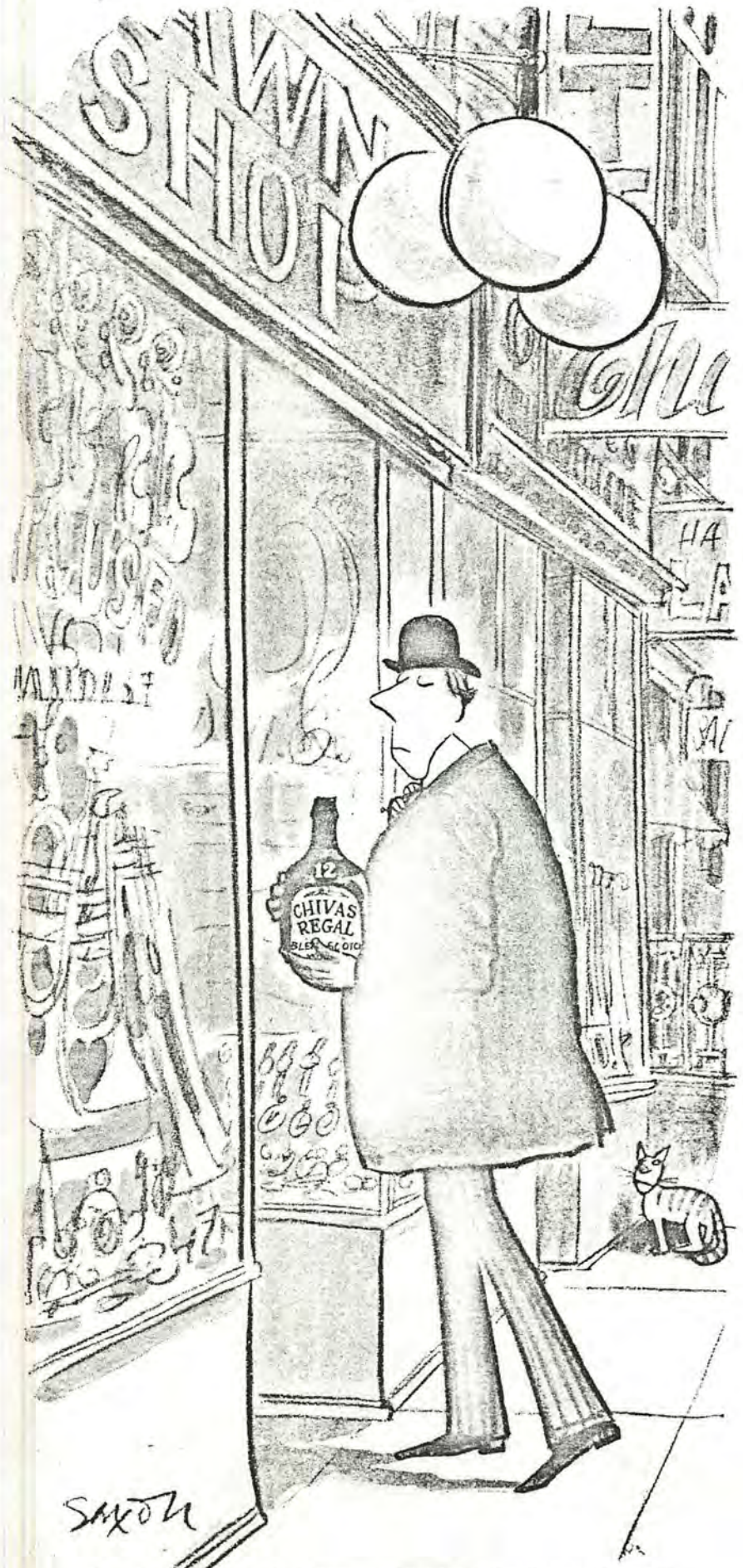
Governor Romero also talks of tying wages to productivity gains, but the

concept has a long way to go before it replaces rum and Coke in popularity. Puerto Ricans are proud of their economic accomplishments and insist that their standard of living is well earned. When I asked a hotel worker his reaction to the productivity concept he fumed that he didn't like anyone calling him lazy, particularly since he worked a sixty-hour week for forty-eight dollars take-home pay. A young Puerto Rican dandy in velveteen hip-huggers and Superfly hat, a child of the new middle class, spoke with even greater disdain as he sat swilling piña colodas in a swank nightclub. "It used to be like pre-revolutionary Havana here," he said. "No one worried about money. I know guys who made two hundred dollars a night just selling records off the back of a station wagon. If the Americans want to go home now, why blame me? Why? I'm not going back to the *campo* to cut sugar like my grandfather. Not until everyone else goes, too."

### Dependence

The boom of the fifties and sixties fostered what University of Puerto Rico historian Gordon Lewis called a "Santa Claus" mentality—a psychology of gratification that glued together an insecure colonial culture. It must not be forgotten that Puerto Rico was a neglected outpost of the Spanish empire, then became a veritable flea circus under the suzerainty of a few American sugar companies until Muñoz brought the good life, American style. A Puerto Rican wit asked, "What can you expect from a people who lived their first four hundred years in a monastery and their next seventy years in Hollywood?"

It is certainly easier to manipulate an economic system than the form of consciousness it gives rise to: to be Puerto Rican was not to be Latin American. It was to partake of the American dream without our generations of puritan self-denial. But importing a national mythology is also a form of parasitism. Puerto Rico lacks an alternative to the American cultural model. Its close relationship to the United States has gradually alienated the island from its West Indian neighbors, and much of the Third World is actively hostile—Jamaica and Guiana effectively vetoed Puerto Rico's admission into the Caribbean Development Bank, and Cuba has repeatedly propagandized the Puerto Rican status issue in the UN committee on decolonization. Officials in the Her-



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General Wine & Spirits Co., N.Y.

andez Colón administration had looked toward Israel as an exemplary young social democracy with rapid economic growth. One faction of the independence movement even suggests that the Republic of Puerto Rico could nationalize basic industries, then hire the most efficient American companies to manage the socialized economy—which would certainly write a Puerto Rican chapter in the annals of socialism.

But in the short run, the majority of Puerto Ricans clearly prefer the security of their golden age. Most islanders believe that the Americans will still bail out their most faithful admirers. Romero Barcelo correctly read the popular mood when he promised that his administration's primary task would be to wrest more programs and funds out of Washington. The governor has likewise promised not to press the issue of Puerto Rico's admission to the Union until he can begin clearing away the economic rubble. This does not mean the administration in San Juan is not committed to statehood; rather, the pro-statehood strategy calls for locking Puerto Rico into so many federal programs that statehood becomes de facto. As former Governor Ferré said, "Once you have Social Security, food stamps, and unemployment compensation, statehood is inevitable. Independence would be a return to the beautiful era of the Indians." So for the next four years, less dependence on American investment in Bootstrap-like operations will translate into more dependence on federal social programs.

The status issue remains sensitive. President Ford's parting statement supporting statehood for Puerto Rico proved almost as embarrassing as his summit visit to the island in the spring of 1976, when a local artist threatened to strap a bomb on his chest and blow himself and the President to kingdom come. Governor Romero Barcelo, apparently shocked that Ford had unilaterally called for statehood without notifying the new San Juan administration, thanked Ford for putting Puerto Rico on the front pages, but ignored the suggestion in his inaugural address.

A number of factors made Ford's remarks regrettable. The first is that 60 percent of Puerto Rican voters rejected statehood in the most recent plebiscite, taken in 1967 when Operation Bootstrap was at its zenith. Statehood movement leaders would like four years in which to lay a new economic foundation before the next plebiscite vote.

That Ford's statement came on the heels of rumors concerning oil off Puerto Rican shores—thus giving the appearance of a federal grab at the commonwealth's natural resources—was also not helpful to the statehood cause. A jurisdictional dispute over offshore oil could wreak havoc in U.S.-Puerto Rican relations. Even if there is oil in the Puerto Rican trench, its exploitation is years away. The oil industry has decided to finish drilling in the Baltimore trench before risking the deep waters of federal-commonwealth argument over ownership of a Puerto Rican oil strike.

Significantly, the most outspoken protest at the Ford gaffe came from Venezuelan President Carlos Andrés Pérez, who denounced Mr. Ford on the ground that "Puerto Rico's people, race, history, and language" are Latin American. Obviously Andrés Pérez hasn't been to Puerto Rico lately; but Venezuela is the aspiring regional power, leery of an American state in the Caribbean.

Venezuela's reaction will give heart to the island's independence movement, which is eager to present its case before

a sympathetic international community. Since industrialization, the *independentistas* have been stymied, lacking a plan for separation from the United States that would retain the material benefits of the commonwealth. Although some independence factions have run candidates in recent elections, without great success, fringe groups have been known to try desperate tactics whenever statehood activity is on the upswing.

During Governor Ferré's term from 1968 to 1972, guerrilla bombings increased sharply, not so much on the island as in New York. The sad truth is that one bomb on Wall Street is worth a thousand votes when it comes to driving away American investment. Should American companies decide the atmosphere is too unstable, and should Governor Romero Barcelo fail to revive the economy with his federal linkage strategy, the independence advocates would have an audience more receptive to their fundamental question: Why, years after the American economy caught cold, is Puerto Rico still sneezing?

—JONATHAN EVAN MASLOW

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## FRANCE: The Making of the Elite

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In most democracies, the idea of deliberately creating an "elitist" inner circle of civil servants and then allowing it vast powers over the levers and wheels of government might well be regarded as something to be shunned, abhorred, and feared. But the pursuit of elitism is instilled in the French from the moment a six-year-old child first dips one of those old-fashioned nibpens into an inkpot and painfully starts out to write the first letter of the alphabet without an inkblot. At the summit of the elitist educational process lies the Ecole Nationale d'Administration.

There is, quite simply, no school anywhere else in the world like this super-academy for the training of the cream of the French civil servants and diplomats. In the three decades since ENA was founded by General Charles de Gaulle, just after the end of World War II, it has produced only a minuscule number of graduates—about 2500. But their hold on key positions in the French government, in diplomacy, banking, finance, industry, national politics, and international organizations makes the Harvard Law School, or Britain's Oxford and Cam-

bridge universities, look like kindergartens when it comes to wielding power in national affairs.

President Valéry Giscard d'Estaing is an ENA graduate, as are four ministers in the present French government. Practically all of the French career diplomats who have joined the Quai d'Orsay since the war went through ENA to get there. "Enarques," as they are called, are the cabinet directors behind every minister in the government, and run most of the prefectures in the ninety-nine departments of France and its overseas territories.

ENA men run the Banque de France, Air France, and the nationalized Renault automobile company; hold senior administrative posts or directorships in all the major French banks and all the nationalized enterprises such as gas, electricity, transport, and the aerospace industry; and have branched out into private enterprise in the oil industry, chemicals, aluminum, glass, engineering, and steel. France's two members of the European Common Market Commission in Brussels, François-Xavier Ortoli and Claude Cheysson, both graduated from ENA. Others chose pol-