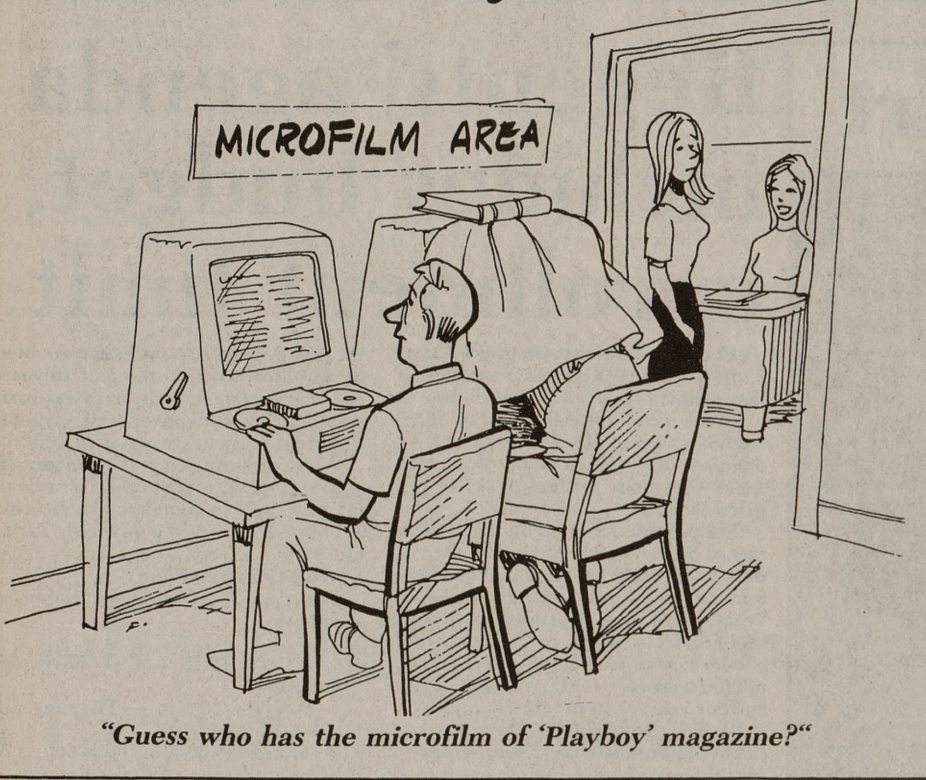


Slouch By Jim Earle



"Guess who has the microfilm of 'Playboy' magazine?"

French now facing employment crisis

By JACQUELINE GRAPIN

PARIS — In contrast to the United States, where labor mobility and other factors make for a normally high jobless rate, France is accustomed to low unemployment. So when joblessness here hits American levels, the French are facing a crisis.

That is the current situation. Official figures show 1.6 million unemployed — four times the number seven years ago. As in the United States, about 7.5 percent of the labor force is out of work.

The issue of unemployment was the main subject of the recent French election campaign, and the jobless rate probably contributed to former President Valery Giscard d'Estaing's defeat by Francois Mitterrand, the Socialist leader.

Now, as he did during his campaign, Mitterrand promises to cope with the problem by increasing public jobs, reducing the work week and introducing early retirement. It remains to be seen, however, whether the French economy can afford such programs.

Compared to other European nations, France is in better shape than Britain and Belgium, where unemployment has reached double-digit levels, but worse off than West Germany and The Netherlands. Still, conditions here are serious.

For the first time since the end of World War II, the number of job-seekers is growing faster than employment possibilities. And the near-term prospects are even more unfavorable.

Despite chances for an improvement in the economy, experts forecast some 2 million unemployed next year — without any increase in the labor force as a whole.

As usual, women and youths are most severely affected. Of the total number of unemployed at present, 55 percent are women and 45 percent are below the age of 25.

Surprisingly, skilled factory workers and office employees have been harder hit than their unskilled counterparts. The highest category among the jobless is skilled white collar workers, who represent 31 percent of the unemployed.

The problem can be attributed to an assortment of elements that have caused the current recession. A main element, though, has been the steep rise in oil prices due to the soaring value of the dollar, which has increased in relation to the franc by

nearly 40 percent within recent months. As a consequence, French business activity has slowed down drastically, throwing workers out of jobs.

Coping with unemployment has not been a major priority during Giscard's term in office. His administration had largely hoped to hold the jobless rate in check in the hope that the situation would improve as the economy regained momentum and as demographic changes reduced demands by youths for work.

In other words, Giscard had anticipated a "natural" solution to the problem — even though, he realized, it would create hardships for young people during the immediate future.

Mitterrand refuses to accept the idea that unemployment cannot be fought more actively. The Socialist platform envisages 210,000 new jobs between now and the end of next year, most of them in government health and welfare projects. Beginning in 1983, the Socialists say, some 40,000 to 50,000 additional jobs will be open each year.

This is supposed to come about in part by shrinking the work week to 35 hours and making retirement mandatory at the age of 60. The Socialists also plan to accelerate training programs preparing youths for jobs.

Though their political influence has been curbed in parliament as a result of the strong Socialist election victory, the Communists may exert pressure through their labor union for their platform, the creation of a half-million public jobs.

But even the Communist labor union realizes that the economy is too weak to produce improvement overnight. So far, therefore, it has displayed signs of moderation.

The big question, of course, is how the Socialists intend to foot the bill for their unemployment cure. Bigger government expenditures for public programs means higher taxes that slow down business and reduce job opportunities.

The job picture might not have gotten brighter had Giscard been reelected. But it will test Mitterrand's considerable political talents — and it may prove to be his undoing.

Editor's note: Grapin writes on economic issues for *Le Monde*, the Paris daily newspaper.

It's your turn Patron complains about GTE

Editor:

GTE in its never ending efforts to provide better, more complete service and convenience to its captive customers has flubbed it again. You're probably wondering why anyone would be criticizing GTE just after they installed those marvelous push button phones in all the offices and dorms on campus.

Well, besides being a little late (the push buttons were supposed to be installed the first week of the first summer session) and besides the inconvenience many of us in Dorm 11 had to go through when our phones were "accidentally" disconnected for two weeks the main problem is that none of us can call collect from a dorm anymore.

It really was nice every once in a while to have the convenience to check up on your folks. Like finding out how your old man was recovering from his latest heart attack or how the dog you grew up with chased a car too close one too many times, little things like that.

Sure we could sign up for long distance, that's exactly what G.T.E wants. We would have to pay a hook up fee, lay down a deposit for calls that won't be charged to us and then wait another two weeks for them to hook us up. If you think about it, that's quite a hassle for the three weeks left of summer school.

Why do we have to send out a search party to find a pay phone just to make a

collect call? Why do pay phones get better more complete service than us? Why can business phones on campus call collect? What makes us second rate citizens?

I'd complain directly to the head management at GTE but it's long distance.

Richard Berthelsen
Graduate Student

More about 'Warped'

Editor:

We would like to add our two cents worth to what seems to be the hottest subject of Summer School 1981, the "Warped" comic strip. Granted this is not an earth-shattering subject, but we feel it deserves at least a small amount of consideration.

Our first point is in response to Noe Guitierrez's letter in last Thursday's Battalion. We feel it is a student's right to have comics that are worth reading, instead of ignoring. We also want to endorse C. Gauldin's personal judgements of Scott McCullar's talents, or lack thereof.

With regard to the comic strip "Warped", we feel it suffers from a severe lack of artistic ability. Due to the poor artwork, we often spend our time with other pursuits rather than reading "Warped". We also feel that many of the daily strips fall short of the intellectual level college students should demand. Obviously, we don't

need a thesis or scholarly report. "Unicorn lead a horse to water can't make her drink." Many of the fall in the poor taste category also. The strip of July 15 which dealt with the molestation which ensue

With regard to that same strip, "It's my strip, I'll do what I want with it," that seems to be a childish and selfish attitude for you to take. Your job is to please as many as possible, 30,000 students as possible.

On a slightly different note, a resident of our dorm has had an idea for doing some work for the Battalion. He told the spot was not open at the end of the summer. It would seem that the editor could have at least requested the portfolio before making any final decision.

In closing, we feel that we should have a say in this situation. We should run a few strips from any "new" comic strip to see what type of response you get. C. Gauldin said in his letter, "It's beneficial to both the newspaper and its readers to either be satisfied with a comic strip or find someone who is able to do a better job."

Jim
Rick
Don
Damon
Norman
David
Ter



S&L's have advantages, risks

United Press International

NEW YORK — Savings and loan associations now have permission to hedge virtually all of their assets in financial futures markets and that could help the troubled industry. But the new rule will do nothing to erase current losses and has the potential of adding to the S&L's woes.

Richard Pratt, head of the Federal Home Loan Bank Board, told Congress last week more than 363 of the nation's 4,542 savings and loan institutions are on the regulatory agency's troubled list.

The S&L's losses stem from their portfolios of long-term, low-interest mortgage loans — some still hold mortgages at 6 percent — while they are being forced to pay record interest on new money, such as the six month money market certificates.

But Pratt believes they can minimize future losses by hedging and he said the industry might be profitable today if the new rule had been in effect a few years earlier.

"Certainly over time as thrift institutions become accustomed to commodity markets it should limit their interest rate risk," Robert Hatcher, senior vice president of the New York Commodity Exchange, said. "It will help them today to deal with the future."

Indeed the potential for profitability is there but so is the risk of new losses.

Under the new regulations, when thrift institutions must pay 14 1/2 percent interest on \$500,000 in six-month CDs, for example, they can take a short position for an equal amount in three-month Treasury bill futures — that is, sell contracts hoping to

buy them back at a lower price. If interest rates rise the increase in their interest costs would be offset by a profit in the futures contracts.

However, if interest rates fall, any gains they would realize from the drop in their costs would be offset by losses on their futures positions.

In an effort to inhibit speculation, the FHLBB rules prohibit S&L's from taking long positions in futures, except in certain cases connected with mortgage banking activity.

It allows only the traditional hedge vehicle of short positions.

"The restrictions force the S&Ls to set up a plan for operation in futures with the intent of reducing interest rate risk," Hatcher said.

Susan Kelsey, a staff member of the FHLBB, admitted there is no effective way to prohibit speculation. "We can pronounce 'thou shalt not speculate' but there is no way to prevent it," she said.

S&L's are expected to be slow in taking

advantage of their new freedom. "I don't see how the Comex has had any success in its inquiries," he didn't expect a business right away.

James Sinclair, head of a commodity trading firm and a Comex member, however, "there is an army of commodity salesmen heading out to get some business. Some thrifits undoubtedly succumb to sales pitches and hedge precisely the wrong time."

The wrong time would be to hedge when contract prices are at or near their historical locking in their historical cost of money.

Sinclair noted that S&L's "don't have the expertise or background in futures to make a proper decision and they'll be out on commodities traders, many of whom have very little experience in the mics of interest rates." "It still is a call," Miss Kelsey said. "But the risk is that interest rates will keep rising and if you're not hedged you're in trouble."

the small society

by Brick



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Letters to the Editor should not exceed 300 words in length, and are subject to being cut if they are longer. The editorial staff reserves the right to edit letters for style and length, but will make every effort to maintain the author's intent. Each letter must also be signed, show the address and phone number of the writer.

Columns and guest editorials are also welcome, and are not subject to the same length constraints as letters. Address all inquiries and correspondence to: Editor, The Battalion, 216 Reed McDonald, Texas A&M University, College Station, TX 77843.

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The Battalion also serves as a laboratory newspaper for students in reporting, editing and photography classes within the Department of Communications.

Questions or comments concerning any editorial matter should be directed to the editor.