

PASTOR GENERAL'S REPORT

TO THE MINISTRY OF THE
WORLDWIDE CHURCH OF GOD



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FROM MINISTERIAL SERVICES

International News

Year-end Caribbean Report December was a very busy and exciting month for God's Church in the Caribbean and proved to be a fitting end to an active year. The Caribbean ministers met in St. Philip, Barbados from December 12th to 15th for an annual ministerial conference. Regional Director Mr. Stan Bass gave instructive lectures on Church and office-related subjects. Many commented on the value of being able to gather together for instruction, answering of questions and encouragement through general discussion. The valuable exchanges about office procedures and festival administration should make the collective efforts more streamlined in 1984. The conference concluded with good-natured "debate" on where and how soon the next one should be.

God blessed His Church in the Caribbean region with excellent growth in so many areas of its activities. 1983 was a banner year for radio and television. Overall, five television and two radio stations were added to the coverage. Records show that approximately 10% of new literature requests are media-generated at present, although improved recordkeeping may show a higher figure than this for 1984. A new media monitoring system was established last August, which has already reaped some good fruits by supplying the media agent in Miami, through whom we work, with broadcast irregularities, and hence passing onto the station managers the awareness of and concern for God's program.

1983 was a busy year for the mail processing staff. Total incoming mail was up 27% with just over 100,000 pieces processed. This represented increases of 56% for white mail, 24% for regular mail and 18% for donation mail. Close to 230,000 items were mailed out from the various Caribbean sub-offices (excluding items mailed to the Caribbean by the International Mail and Postal Centers in Pasadena).

Despite a very healthy 23% increase in Caribbean income for 1983, the area still has the money movement problems reported before. Further efforts are underway to make headway on some of the long-term debts logged in Pasadena because of the difficulties in transferring monies out of the Caribbean. It is hoped that the income in the region will be blessed by God to cover the increased subscription lists and renewed media contracts.

The Caribbean Churches grew by 11.6% during 1983, reflecting the 97 new members baptized during the year. A total of 956 members were attending services at the end of December. New readers added in 1983 totaled 22,980, up 46.8%. Co-workers increased by 457 (15.4%) and donors by 1,130 (23.2%).

Annual Summary From the Philippines Despite the political and economic crises in the Philippines during 1983, it was a good year for God's Church. Financially, the year was remarkably good with cumulative income up 33% for first account, 23% for second account and 5.6% for the third account. The increase was 30% overall.

Many are being called by God to become donors and co-workers. Co-workers contributed 50% more than in 1982, while donors gave 55.8% more. An all-time record 685 donors were added to our list in 1983, resulting in the highest number of donors in years--1,020. The articles on tithing in The PLAIN TRUTH, along with the prayers of God's people, have undoubtedly contributed to this increase.

In 1983, The PLAIN TRUTH more than doubled its circulation. In December 1982, there were 58,227 subscribers, whereas a year later there were 149,405. The circulation peaked at 160,357 with the December issue, but the renewal system trimmed that considerably by the year's end. A total of 106,642 renewal letters were sent out in 1983 with the response being 28,801 letters or a 27% return.

The insertion of PLAIN TRUTH insert cards was stopped in the first quarter of the year, which affected the volume of incoming mail as reflected in the 187,390 total--a decrease of 19.6%. But the volume of outgoing mail did not diminish; 387,758 items were mailed out--an increase of 5.4%. Other increases came from responses to "The WORLD TOMORROW" telecast and donation mail.

Another area of growth in 1983 was in GOOD NEWS circulation, which went up to 5,045 (up 58%) as a result of offering the magazine during the PLAIN TRUTH Bible lectures held in 30 places during 1983. Altogether 2,712 new people attended the lectures.

As the year ended, a camp for Metro Manila singles was held from December 27th to January 1st. A record 146 singles (including several singles from other churches throughout Luzon and the Visayas), and 14 married staff members with their children attended. The site at Volcano Lakeview Resort on the southern end of Taal Lake provided an ideal setting for the camp. Mr. Reynaldo Taniajura, camp director, and Mr. Pedro Melendez, Jr., Ministerial Services assistant in the Manila office, gave lectures on proper dating, true masculinity, true femininity and marriage. To balance everything, daily activities included basketball, dance instruction, an obstacle course, swimming and volleyball. Evening activities included an acquaintance bonfire, impromptu talent show, Bible bowl and a semi-formal dance on the last night of the camp.

Other singles camps were also held simultaneously in Tabaco, Albay, with Mr. Med Maninang as director, and in Toril, Davao City, with Mr. Bien Macaraeg as director. The office has received many letters from campers expressing appreciation and thanks for the physical and spiritual benefits they derived from the camps.

Comments From Monthly Church Reports

From the Caribbean

HAMILTON, BERMUDA--CECIL PULLEY: The Church is enthusiastically supporting Mr. Armstrong. We have been seeing renewed interest in world affairs and prophecy among members. I was interviewed on ZFB television explaining why we do not observe Christmas and gave a brief description of the days we do observe. The telecast received positive response from members and other viewers.

GEORGETOWN, GUYANA--PAUL KRAUTMANN: 1983 was a difficult year for the brethren, physically and spiritually. It was a year of "weeding out" those not really with us, while building up a substantial number of PMs. We are looking forward to much increased growth in 1984. One whole family has begun attending following the instant healing of their son.

From the United States

MONTPELIER, VT--KEN WILLIAMS: It is encouraging that the brethren recognize the solutions to their problems come through prayer, Bible study and obedience to God. Several have sought counsel and acknowledge that their problems started when they let up spiritually. They are repenting and God is answering. Other good signs are: good attendance at three Bible studies; enthusiasm and good participation in activities; members are helping those in need and praying for one another; PT distribution has grown from 1,500 a month just over a year ago to 10,000 a month.

CHARLOTTE, NC--GEORGE PINCKNEY: After several years of dealing with problems with teens and young adults in this area, I'm very thankful now that the overall picture has changed. A large number of young adults who have grown up in the Church are counseling for baptism. Among the teen-agers, attitudes are better and problems are fewer than at any other time. I feel that the Church really profited from the two sermons on marriage.

MERIDIAN, MS--PAUL KURTS: Mr. Gerald Waterhouse's visit to the area was very inspiring for all who were able to attend in Hattiesburg. Although weather was in the 12 degree range, Mr. Waterhouse really heated us up in the room! His message on unity and loyalty to God, Christ, and God's Apostle, Mr. Armstrong, was a real inspiration to all. Thanks again for his visit.

JOPLIN, MO--VINCE SZYMKOWIAK: God worked a great miracle in healing a five-year-old boy who fell seven feet off the roof of his house and landed on his face on concrete. The local telephone "Hotline" was activated and he was anointed. X-rays were taken, and although his face showed the effects of an obviously serious injury, the doctors could see no brain injury or skull fracture. The hospital staff said he was lucky. We all know better. The clear trend has been that although God's people are experiencing trials, our Father continues to intervene mightily in their lives.

MINNEAPOLIS (SOUTH), MN--VICTOR KUBIK: It is amazing how people make contact with the Church. One of the new PMs started subscribing to The PLAIN TRUTH after her husband brought the magazine home after taking a walk outside. He said the wind blew the magazine right up to him. Now she and the children are attending--he may be coming soon, too.

--Joe Tkach, Ministerial Services

PUBLISHING SERVICES UPDATEPLAIN TRUTH Display Island Program Very Successful

PLAIN TRUTH newsstand distribution through the lighted display islands is progressing extremely well. As of our last survey, almost 130,000 newsstand copies per month are being distributed by our brethren on 56 display islands in 37 airports and commuter railway stations in major population centers in the United States.

Thousands upon thousands of people are being given the opportunity to learn of Christ's true Gospel message through this important promotional program. Below are excerpts of letters from people who picked up copies of The PLAIN TRUTH at some of these locations:

Finding The PLAIN TRUTH in airports has from time to time been an inspiration during flights for me.

K.B. (Wichita Falls, TX)

I said a prayer of thanks to see The PLAIN TRUTH magazine stand--where? Of all places in the subway in Chicago.

M.F. (Chicago, IL)

It has been my great pleasure and surprise to read a couple of samples of The PLAIN TRUTH magazine, which I found in Penn Station, New York. I never thought I would be so engrossed when I first picked one up, but now I can't seem to put it down.

I have also noticed that many people on the trains read your magazine. It truly is an eye-opener. Thank you for the opportunity to learn more about the Bible without any misconceived notions that most religions teach. I am very grateful.

F.V. (Newark, NJ)

I picked up The PLAIN TRUTH magazine at Grand Central Station because Mr. Armstrong always talks about it on his lectures.

J.K. (Bronx, NY)

I picked up your magazine in a train station today. The PLAIN TRUTH had my fullest attention for the entire hour which I spend traveling on the train.

D.L. (Dix Hills, NY)

I first learned of your magazine while waiting to board a flight for West Germany in the JFK International Airport in compliance with military orders--I am a career member of the U.S. Army. It was in the waiting area that I picked up a copy of The PLAIN TRUTH. Although I did not realize it then, it was to have an enormous impact on my life. Throughout the subsequent hours of the flight I read and reread the magazine.

M.K. (Fort Wayne, IN)

While in New York last week, I saw in the Penn Station a rack with copies of your magazine. I was so amazed that anything could be

free in New York City that I picked up a copy and read it on the way home. I enjoyed the magazine immensely and am interested in learning more of what you have to say.

P.F. (Provo, UT)

I am fully interested in your magazine of understanding, The PLAIN TRUTH. It is of great value to me. I have decided not to renew my subscription because here in Grand Central Station, New York, there are lots of PLAIN TRUTH magazines placed in a stand that are free for everyone. It is on the way to my work.

A.R. (Orangeburg, NY)

I picked up a copy of The PLAIN TRUTH in Grand Central Station last week, and I think your display rack is inviting and should be about as far-reaching as any spot in the world.

J.D. (Lecompton, KS)

I notice your PLAIN TRUTH magazines in the subway here in Chicago and they don't last very long. People are really hungry for religious truth these days. Thank you for helping so many people back to God.

M.H. (Chicago, IL)

--Ray Wright, Publishing Services

UPDATE FROM MAIL PROCESSING

Big Sandy WATS Lines Being Readied

All systems are go for the Big Sandy WATS operation to start on Friday, February 10. The staff is now settled in, and the necessary equipment has been installed. By the time you receive this update, students and Church members will have been hired and be well into their training to take phone calls. The only major step that remains to be taken is for the telephone company to plug in and activate the incoming lines.

Magazine Renewal Policy for Members and Co-workers

Members and co-workers frequently ask if they ever need to renew their PLAIN TRUTH and GOOD NEWS subscriptions. It is not necessary to do so--since member/co-worker subscriptions are automatically renewed each year. However, the YOUTH magazine must be renewed by all those wishing to continue receiving it, including Church members. They do so by returning the renewal notice when it is sent.

The PLAIN TRUTH Circulation Department has an ongoing renewal program for the "regular" category of subscribers to ensure that all who receive the magazine truly want it. For this reason, renewal reminders are often placed in the semiannual letter and in the magazine itself. These are directed toward regular subscribers only.

Also, subscription lists of other magazines are occasionally purchased, and letters offering The PLAIN TRUTH are sent to the people on these lists. Therefore, members and co-workers who subscribe to such magazines may possibly receive PLAIN TRUTH advertisements. These should be disregarded.

Because some members in your congregation may have questions about our renewal policy, you may want to read this information to them.

Military Service Personnel Respond to God's Work

Among those being reached by God's truth are servicemen from the armed forces. Facing the danger of war is a sobering experience and motivates some of them to turn to God in search of the meaning of life. Our literature provides spiritual answers, comfort and inspiration, enabling them to better cope with loneliness and the harsh realities of military conflict. Many explain how their lives are becoming more joyful and enriched as they develop a closer relationship with God. Following are some of their comments:

Thank you for sending my first copy of The PLAIN TRUTH. As a Naval officer, I need to be well-informed of world events. I am impressed with and excited over the scholarship and content of your government and economy-oriented articles.

As a Christian, I appreciate a publication which gives a Godly perspective to current issues. Thanks also to the person who left his copy of The PLAIN TRUTH in the dental building at North Island, so that I might pick it up.

J.B. (San Diego, CA)

I am in the service (U.S. Navy) and when we went on cruise last year, I stopped paying tithes, neglected to read my Bible and started following my navy friends, doing what a typical sailor would be doing on his "liberty." As usual, I ended up broke like my companions after every liberty port.

A few months ago I started reading my Bible again and I now realize what a grievous mistake I have made (especially when I read Ezekiel 18:24). It really made me think twice! I have been through a lot of temptations and I have been swayed, but now I'm trying and constantly asking God's help to put me back on the right track.

R.L. (FPO San Francisco, CA)

I've recently had the pleasure of reading your publication The PLAIN TRUTH. I want to thank you for providing such an informative, eye-opening magazine to all of us who are thirsting for true understanding of the Scriptures. Using your articles, my Bible is becoming increasingly clearer.

I am in the U.S. Marines, stationed at Cherry Point, N.C. The need for a magazine like yours in my area is great. I would like to request a few of your additional booklets if I may, to aid my knowledge of world events and biblical teachings. Also, would you please enroll me in the Ambassador College Bible Correspondence Course. My wife and I would like a study guide to help us study our Bible.

S.R. (Havelock, NC)

I am in the Air Force and I started reading The PLAIN TRUTH when my mom subscribed to it for me. Since reading it and a couple of

the various little booklets, I am more conscious of life's problems and better understand my personal upsets. I always have believed in Jesus Christ but never realized just how much more there is to know and try to understand about His teachings.

Being in the military and knowing you could be sent at any time to war is a frightening thing. From your literature and Bible prophecy I know it won't be too long and the thought of it just about paralyzes me. I hear children speaking about nuclear weapons and their effects and it depresses me to hear the despair in their voices and the hopelessness they foresee. I know if we are true believers and have extreme faith, worrying won't be a part of our lives. Unfortunately the devil has done a pretty good job of confusing everyone and it makes me angry. Well I'd like to say thanks for your fabulous literature.

M.G. (Grissom AFB, IN)

At the present time, I am a soldier stationed at Fort Sill, Oklahoma. When I leave the States, it is usually for a three year stay in Germany. Over there I have very little chance for any type of church so I always have such a loss for worship and very little motivation for Bible study.

But now, thanks to some prayers that have been answered, I not only have your magazine but also the Bible course. I am keeping these publications so I can take them with me when I go to Germany again and enjoy them again and again. I can't express enough to you just what your publications have meant to me; I am so thankful for them. Please keep me on your monthly mailing list.

A.S. (Fort Sill, OK)

I'm in the United States Marine Corps. I'm told that I'm a marine seven days a week, 24 hours a day. They don't keep the Sabbath nor recognize God as King of the universe. The Corps thinks it's the best of them all.

But I found a new beginning in life when God called me to be in His Church. I repented (though I am not yet baptized) and study God's Word each day. Last Saturday I attended my first Sabbath service--it was beautiful. But I'll be unable to attend another Sabbath service for awhile due to the fact that I'm in the Marine Corps. I have faith in God that soon I'll be out of the Corps and develop a newer and better life towards God. So I send you the first of many tithes so the gospel of the Kingdom of God will be preached throughout the world.

D.G. (Groten, CT)

I have enjoyed reading your magazine for more than three years now. I am finding each issue very informative and enlightening. I am a military service member (U.S. Navy) presently stationed at Subic Bay, Philippines. Over the years I've found that several of my shipmates from various parts of the world also enjoy reading your magazine. That's great: When I don't have a particular issue, I've been able to read their's and vice versa. I look forward to receiving the next issue of The PLAIN TRUTH.

T.B. (FPO San Francisco, CA)

I recently read your article "Mideast War in 1984" and I was quite impressed with the straightforward information given in it. I am currently serving with the U.S. Navy 6th Fleet off of Beirut, Lebanon, so the article was of particular interest to me. Please keep up the excellent work you project in these articles, and make the world aware of events happening around us.

A.P. (U.S.S. Sims, FPO Miami, FL)

--Richard Rice, Mail Processing Center

ON THE WORLD SCENE

THE UNITED STATES: DRIFTING AWAY FROM EUROPE, SHIFTING INTO THE PACIFIC RIM WORLD

A bit more has come out on that extraordinary conference, referred to last week in this column, which was held in Brussels from January 13-15. It featured 200 powers-that-be on both sides of the Atlantic discussing the future of NATO. Here is how The CHRISTIAN SCIENCE MONITOR, in its January 17 edition, reported on this closed-door confab:

Just before East-West negotiators sat down in Stockholm this week, scores of top foreign policy advisers and analysts gathered here to forge a new strategy for the Western alliance. But they left stunned by an unusually bitter transatlantic clash of views....

The conference was sponsored by the Georgetown University Center for Strategic and International Studies. At a similar meeting in 1979, [former U.S. Secretary of State Henry] Kissinger shocked many Europeans into supporting the NATO decision to deploy a new generation of cruise and Pershing missiles in Europe by warning about the uncertainty of U.S. willingness to launch U.S. nuclear forces in the defense of Europe.

Some sources indicated Mr. Kissinger had planned another "bomb-shell" by suggesting a reduction in U.S. troops stationed in Europe accompanied by an increase in Western Europe defense forces. But it was said that this proposal was deleted from his still stern address to the group. In answer to questions, Mr. Kissinger did say he was currently reviewing the question and would soon make proposals on "the Europeanization of European defense."

Former Pentagon and C.I.A. chief James Schlesinger, in a strong criticism of...West German policy...signaled a warning to that country to assume more of the burden of its own defense. "The U.S. since the war has willingly taken on the protection of Europe," he said, but "it is a fundamental misconception of the forces that move American democracy to believe that it has a national interest in defending Europe" when Europeans fail to take their own defense as seriously.

This is the second time that the Georgetown Center conference in Brussels has produced fireworks. As referred to in the above article, Mr. Kissinger startled the 1979 meeting when (as reported in the Sept. 18, 1979 PGR) he

told the assembled delegates that Europeans could no longer count on the United States to guarantee their security. NATO's strategic security philosophy, he said, was based on an out-of-date American nuclear doctrine --to which he had contributed while in office--and which was no longer valid because of growing Soviet power.

The bedrock of NATO's collective security, of course, has been based on the premise that the United States would treat an attack on Europe as an attack on the United States. However, in 1962 Charles de Gaulle showed his doubts concerning this premise. He decided the U.S. would never risk losing New York to save Paris and that France would go its own way in defense. The other allies, especially West Germany, which was proscribed from acquiring nuclear weapons, continued to ask the United States for reassurance on that point and received it.

At that 1979 meeting, Kissinger urged a rapid overhaul of U.S. doctrine, substituting a "counter-force" strategy that would concentrate on strategic Soviet military targets. At the same time, there should be development of a new system of "Eurostrategic" nuclear weapons in Western Europe, which would be integrated into such a strategy. These would counterbalance the monstrous SS-20s the Soviets had begun to target on major European cities. This is what led to then Chancellor Helmut Schmidt calling for the new "Euromissiles" (the Pershing IIs and cruise), which policy was adopted unanimously by NATO in December, 1979.

Former Chancellor Schmidt was also highly critical of what he felt--and still feels, as he showed in the latest Brussels meeting--was the unpredictable nature of U.S. foreign policy. While he was particularly outspoken then about the weaknesses and indecisiveness of the Carter Administration, Mr. Schmidt hardly seems more satisfied today with the far more resolute Reagan policy.

On the way home from Stockholm, I had the opportunity to speak with Mr. Johan Jørgen Holst, the director of the Norsk Utenrikspolitisk Institutt--The Norwegian Institute of International Affairs. Mr. Holst, too, had been to the January Brussels get-together. He boiled European criticisms of the United States down to one specific point. There are, he said, "doubts about the American system which tends to work against professionalism." By this he referred to the fact that since 1960, the United States has had "a string of one-term presidencies." This has often produced "erratic policies" because of the changeover in administrations every four years, or less. And in the U.S. "you change administrations, not just governments," meaning that the changes are felt deep into, say, the State Department, producing more fundamental shifts in foreign policy than in Britain, in which the functioning of the Foreign Service seems to go forward less hampered by governmental changeovers.

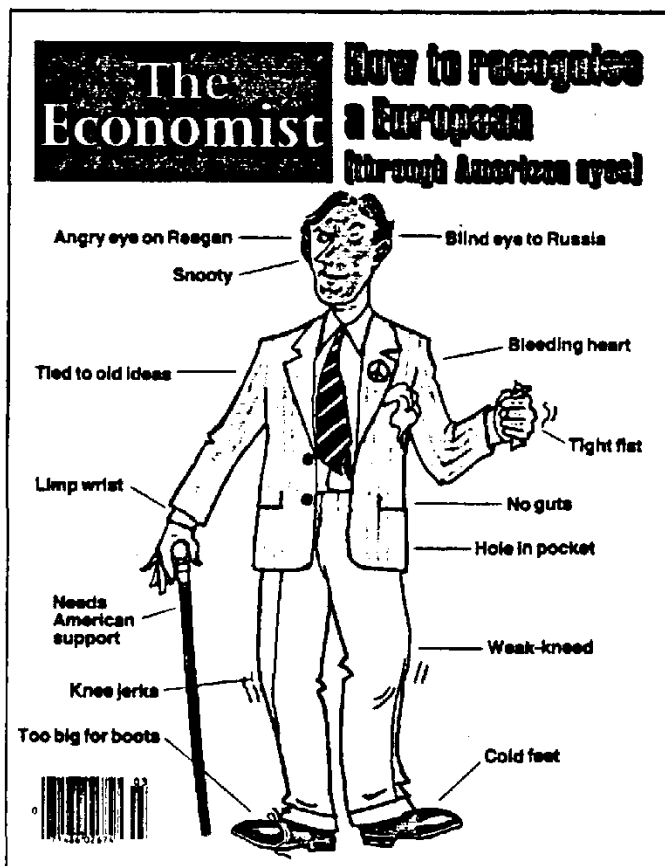
In Oslo I happened to pick up the January 21, 1984 issue of THE ECONOMIST. Its cover article was entitled, "The Useless European." The editors of Britain's leading weekly magazine set about the task of explaining to Europeans "why a lot of people in America do not understand Europe's way of looking at the world" (see cover picture next page). Here are key excerpts (beginning with a brief summation of recent erratic U.S. foreign policy):

The pendulum, set swinging by Vietnam, first lurched into Mr. Jimmy Carter's implausible nonchalance (his "inordinate fear of

communism" speech in 1977), and then shot to the other extreme with Mr. Reagan's apparent attempt to demolish Russia by shouting at it (the "empire of evil" speech, and others). What Mr. Reagan said on January 26th [that Washington desires a "better working relationship" with Moscow] puts Russia back, in American rhetoric, where most Europeans reckon it belongs. It is a country to be feared, with a political system to be abominated, but it is there, and it has to be negotiated with. The change is good news, ...but it does not end the gale of disapproval that is blowing at Europe from the American side of the Atlantic....

From we-were-right-about-Grenada bumper-stickers on American cars to private warnings by pro-European American diplomats, European irritation with America is being matched by mounting American exasperation with Europe.... The magazine READER'S DIGEST, which with an American circulation of 18m is a better guide to the American temper than the East Coast dailies, reports that its articles on Europe have started to draw bundles of hostile letters [from American readers]....

There is a reason for this, which Europeans need to understand. The American view of the world is different from the European view, because the Americans' history has made them into a different sort of people. The Americans are not, as too many Europeans think they are, a collection of intermarried Europeans who happen to have moved sideways across the Atlantic, plus some blacks and hispanics. They are the descendants, in overwhelming majority, of people who left Europe because they wanted to be free or rich and the old world kept them squashed and poor; so they shook Europe's dust off their feet. There were semiexceptions...but for most Americans the act of going to America was a deliberate decision by their forebears to turn their backs on the unsatisfactory politics of the world they were leaving behind.



In America's dealings with the world, the result has been a foreign policy which swivels between two extremes. At one extreme, the United States ignores the world outside the Americas because it feels it neither likes it nor needs it. At the other, it plunges into the world to put it to rights.

From George Washington's 1796 denunciation of "permanent alliances" (by which he meant alliances with Europeans), the first

approach carried America through the nineteenth century, with only an occasional flash of overseas adventure such as the war on the Barbary pirates and Commodore Perry's expedition to Japan. The other, putting-the-world-to-rights, approach came to the top at the turn of the century...and eventually took America into the first world war. But then followed an angry return to isolationism. It is only since Tojo's Japan pushed them into saving Europe from Hitler's Germany that the Americans have more than briefly overcome their distaste for entangling alliances; and that period, let Europe note, covers only a fifth of their history.

The point is that both these American ways of dealing with the world are based on moral attitudes. The keep-out way declares that the world is too messy to be bothered with. The plunge-in way asserts that America can make the world a better place. This moralism is at odds with the European approach to international relations. Because they have for centuries lived cheek by jowl on the same continent, the Europeans believe that they cannot afford either to ignore each other, or to try to change each other very much. Each country has its own interests, say the Europeans. The business of foreign policy is to keep these interests compatible. The skills needed are accommodation, adjustment, compromise. From this comes the theory of the balance of power....

The Europeans' approach is cooler, the Americans' is warmer-blooded.... The American instinct is to believe that every problem must have its solution. The European instinct is to think, too often, that the best solution is to fudge the problem. So accusations of recklessness fly one way, of feebleness the other....

What lessons does this have for Europeans? First, that a picture of the Useless European is taking shape in the American mind.... Europe should realize that the indignation is there.... Most Europeans have not yet realized what is happening on the other side. Second, it is unlikely that the American reaction to the Useless European will be simply to abandon him. The fact that the world is now a two-superpower place, and America passionately dislikes the other superpower, makes a return to the old isolationism almost impossible. The likelier response will be just to push Europe another notch downwards in America's order of priorities, below the Pacific basin, southwest Asia and--if things go wrong in Central America--Mexico. The Americans will continue to look after their European interests but, as it were, over Europe's head. This unilateralism will not be fun for Europe.

The Shift Toward the Orient

The point made by THE ECONOMIST about America downgrading Europe in its list of foreign concerns was expanded upon by Frank Viviano, an editor of the San Francisco-based PACIFIC NEWS SERVICE. He wrote the following in the December 26, 1983 LOS ANGELES TIMES:

The fierce controversies over missile deployment and other issues may leave us remembering 1983 as the year in which ordinary

Europeans challenged U.S. domination of the Atlantic alliance. But the fact is that ordinary Americans themselves are drifting out of the Atlantic orbit. That's a shorthand way of describing what may be the most significant economic and cultural shift in this nation's experience--a shift away from Europe and toward the Pacific Basin. "The overwhelming European influence on our culture is on the wane and giving way to the Orient," Morgan Guaranty Trust Co. vice president Frederick Allen said in an interview published early in 1983....

Once the word "immigration" was synonymous with the arrival of Europeans and later with Latin Americans. Today two of every five newcomers to the United States are Asian, and many of them play key roles in the small-business revitalization of our urban centers.... Consider the fact that in 1982-83, for the first time in history, overall U.S. trade with Pacific nations exceeded that with Atlantic nations, registering a record \$121.2 billion....

These statistics reflect a development that would have seemed unimaginable a generation ago. While the Atlantic has struggled through prolonged economic decline, the Pacific--including the U.S. West--has emerged as the focal point of a futuristic new economy. From Tokyo and the Silicon Valley to Hong Kong, Taipei, and Singapore it has become a kind of transnational "high-tech lake" bounded by the energetic capitals of 21st-Century industry.

China's visiting Premier Zhao Ziyang also commented on America's "Pacific shift" in his address before the World Affairs Council of Northern California in San Francisco on January 2, 1984. I was present in the audience when he told 1,000 guests that:

China, with its one billion people, has now embarked on a long march and is concentrating its efforts on socialist modernization. Thanks to its endeavour of more than a century, Japan has become a world economic power. The Soviet Union is gradually shifting its focus of investment and economic development from west of the Urals to the Far East. On the other hand, the economic center of gravity in the United States is moving from the east to the west, that is, to the Pacific coast. In fact, the trade volume of the United States with Asian countries has already outstripped that with European countries.... Particularly noteworthy is the fact that a number of countries in the Pacific region have stayed in the lead in economic development, while many industrially advanced countries, being plagued by what is known as stagflation, have been slow in economic advance for the past decade or so. This has led to the prediction by many people in the world that the twenty-first century will be a Pacific century. We, peoples in the Pacific region, have every reason to chart our bright future with optimism.

Just how serious the stagflation in the "Old World"--Europe--really is was revealed in a recent poll conducted by THE WALL STREET JOURNAL and published in its February 1, 1984 edition. More than 200 chief executives representing the top 1,000 companies in Europe (ranked by revenue) were surveyed by the JOURNAL's European-edition staff. Overall they presented a picture of virtual resignation to "third place" behind the U.S. and Japan

in today's high-tech world. Inability or unwillingness to commit more money to research and development and the political obstacles of a still-not-united Europe also came through. Highlights of the survey follow.

To examine the implications for Europe of the so-called third wave of the industrial revolution, THE WALL STREET JOURNAL/Europe questioned more than 200 chief executives from 16 European countries. The survey produced stark evidence that Europe's executives believe their continent has declined as a source of technology leadership, with the U.S. maintaining its top position and Japan gaining in importance.

No European country ranks as the leading source in any technological area, in the executives' view. In most fields the top European country, usually West Germany, ranks a distant third with the respondents.... Scandinavia wins some of the higher marks in Europe, though it still lags behind the U.S., Japan and West Germany.... All other European countries virtually cease to register as widely recognized sources of technology leadership....

Despite the rallying cry for intra-European cooperation in technology, chief executives responding to the JOURNAL survey appear to favor links with U.S. and Japanese companies rather than with their continental neighbors.... "We decided quite early that we had to be in the U.S., where the technology is," says Klaus Luft, deputy chairman of Nixdorf Computer AG of West Germany. "The power and speed of innovation in Silicon Valley and Route 128 (centers of technology, near San Francisco and Boston) can't be equaled yet in Europe."...

Executives seem to be of two minds. On the one hand, they are looking for the best technology, wherever it is, and new markets. On the other hand, they worry that if Europeans don't cooperate among themselves to reduce development costs and achieve economies of scale, their companies will become merely assembly outposts in a world dominated by U.S. and Japanese manufacturers....

These problems are especially acute in the fast-moving telecommunications field, says Wisse Dekker, chairman of N.V. Philips of the Netherlands. European companies are "all so fragmented," he complains. "Each one offers a market that is basically too small to justify enormous amounts of money" for research and development.... "If you find more competence with non-European than European companies, it is stupid to go along with the Europeans," says...Dekker.... But, all things being equal, Mr. Dekker says, "it is in the interest of Europe and also the world economy to cooperate with other European companies."

One wonders when and how Europe will "get its act together." The sluggish economic picture in Western Europe accelerates the desire also to protect shrinking markets, aggravating trade difficulties with the U.S. Will the Soviet Union play on these difficulties--and drive the wedge deeper between Europe and America--by offering the Europeans greater economic opportunities in the Soviet bloc?

--Gene H. Hogberg, News Bureau