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There is little doubt but that in a normal election a coalition of Labour and Fine Gael would win handsomely. However, the forthcoming general election is not likely to be normal because of the continued violence in the North. The overwhelming majority of people in the Republic do not support violence by the IRA in Northern Ireland. They also support the government's effort to prevent the Republic from being used as an IRA base against the North. The three main parties in the Dail have publicly repudiated violence as a means towards achieving political ends and the Labour Party, in particular, has spelled out in a major policy statement adopted at its 1972 annual conference its commitment to a process of peaceful persuasion as the means of ending sectarian and political divisions in the island and its outright opposition to the IRA and other violent organisations.

But ironically it may be Mr Lynch who will benefit from the Irish public's repudiation of violence. His party has been equivocal in the past in its attitude towards the IRA and in a spectacular cabinet crisis in May 1970 he sacked three ministers and lost two others through resignation for alleged collusion with IRA elements. Since then he has been busy cleaning up his party and has pushed through the Dail draconian legislation against the IRA, the most notable being an amendment before Christmas to the Offences Against the State Act. The Labour Party alone opposed the amending bill which substantially altered the rules of evidence in cases against suspected IRA members on the grounds that it was a dangerous and unwarranted alteration in legal procedures.

This has had the effect of presenting Mr Lynch as a good law and order Prime Minister. At a time when border towns in the Republic, as well as Dublin, are being subjected to periodic bomb attacks from the extremist elements in the North, this is not a bad image for election purposes.

However, it may be that economic issues, particularly inflation and unemployment, will unseat the government.

The new year opened with a great flurry of interest in European affairs as Ireland became a full member of the Communities. The Labour Party had opposed Ireland's entry to the EEC on the terms negotiated by the government, but in a national referendum in May 1972 the people overwhelmingly opted for entry. This verdict,

naturally, was immediately accepted by the Labour Party as the democratic decision of the people. The party has filled its two seats in the European Parliament and has sent two of its foremost members as part of the Socialist Group, Dr Conor Cruise O'Brien, TD and Justin Keating, TD.

One possible side-effect of Ireland's greater involvement in European mainland politics will be the highlighting of the government party's poverty of ideology. So far they have failed to join a Group in Strasbourg. Rumour has it they will sit with the Gaullists, a logical choice for an ultra-nationalist party. At present, they are sitting as independents with the neo-Fascists, where they are equally at home.

Brendan Halligan

NEWS IN BRIEF

AN AGREEMENT to unify was signed on 4 December 1972 between the Finnish Social Democratic Party and the Social Democratic League of Workers and Small Farmers (Left Socialists), which split away from the SDP in 1958. The League formerly held several seats in the Finnish Parliament, but lost its representation in the 1970 elections. But the party has 4,000 active members, most of which are expected to join the SDP ranks. The agreement terminates a difficult period in the history of the SDP, the 1958 split having been partly responsible for the Social Democrats' long period of opposition thereafter. The League will get four observer seats in the SDP Party Council.

LIM KIT SIANG, General Secretary of the Democratic Action Party of Malaysia, has been elected Leader of the Opposition in the Kuala Lumpur Parliament. The DAP is the largest opposition party in the Malaysian Parliament, and Lim Kit Siang will devote his energies to the building of a united opposition front to the present Alliance government.

SIR LEN WILLIAMS, former General Secretary of the British Labour Party, has died in office in Mauritius, where he had been Governor-General since his retirement from Transport House in 1968.

FOLLOWING the reconstitution of the Executive of the Italian Socialist Party under Secretary Francesco De Martino, Giovanni Mosca and Bettino Craxi have been elected Deputy Secretaries. The new PSI International Secretary is Mario Zagari, former Minister of Overseas Trade.

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JANUARY-FEBRUARY 1973

SOCIALIST INTERNATIONAL INFORMATION

VOL. XXIII NO. 1

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Paris: Socialist Party Leaders

Condemn Vietnam Bombing

The 12th Party Leaders' Conference of the Socialist International was held in Paris on 13-14 January 1973. The question of Vietnam dominated the discussions, and participants were unanimous in condemning the recent American bombing onslaught on North Vietnam. Fifty delegates representing nineteen member parties of the International attended, including the prime ministers of Austria, Denmark, Finland, Israel and Sweden.

Speaking on behalf of the delegates at a subsequent press conference Socialist French Leader François Mitterrand reported that the meeting had 'deeply condemned these inhuman bombings'. The discussion on Vietnam at the Conference had been opened by the Leader of the Dutch Labour Party, Joop den Uyl. He told the press conference that President Nixon's policy of bombing the North Vietnamese to the negotiating table was unacceptable to the International.

François Mitterrand also emphasised that the meeting had stood by the position taken by the International.

Other themes discussed at the meeting were: the general international situation, following an introduction by the Vice-Chairman of the British Labour Party and Shadow Minister of Foreign Affairs, James Callaghan; and European questions, following an introduction by the Federal Austrian Chancellor, Bruno Kreisky. Golda Meir, Prime Minister of Israel, also addressed the meeting on the latest Middle East situation.

In answer to a question at the press conference, François Mitterrand stated that the meeting had stood by the International's support for UN Resolution 242. He added: 'We are not hos-



tile to the Arab countries, and we are ready to have the best relations with the Arab socialist parties which accept our statutes and our objectives.'

In the discussion on European questions, the British Labour Party's policy on the EEC figured prominently. As François Mitterrand made clear in his summing up of the meeting at the press conference, the pro-EEC parties of the International failed to make any impression on James Callaghan when they expressed regret over Labour's

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SOCIALIST AFFAIRS covers the policies and progress of democratic socialist parties throughout the world.

Published by the
Socialist International
88a St. John's Wood High Street,
London NW8 SJ7.
Tel. 01-586 1103, Telex 261735
Cables INTESOCON, LONDON

Editorial Committee: Gino Bianco,
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Editorial Assistant: Caroline Soper

Per annum rates:
Ordinary subscription £4
(socialist party member £3)
USA & Canada \$12 (\$8);
Payment by sterling or dollar
cheque, postal order or
international money order—
payable to 'Socialist
International Publications'.

Signed Articles in SOCIALIST AFFAIRS
do not necessarily represent the
views of the Editorial Committee.

We apologise to readers for the
publication cuts in the second half
of 1972, which were necessitated by
financial difficulties.

In 1973 SOCIALIST AFFAIRS
will appear every two months but
with substantially more content and
coverage per issue. Subscriptions
will be unchanged.

attitude, particularly the party's boycott of European institutions.

The conference was presided over by the Chairman of the Socialist International, Dr Bruno Pittermann. The full list of participants was as follows: Bruno Kreisky, Karl Czernetz (Austrian Socialist Party), Josse van Eynde, Henri Fayat, Henri Simonet, Victor Larock (Belgian Socialist Party), Arcalaus Coronel, Carlos Parra (Chilean Radical Party), Anker Jørgensen, K. B. Andersen, Erling Dinesen, Ejnar Hovgaard-Christiansen (Danish Social Democratic Party), Kalevi Sorsa, Paavo Lipponen (Finnish Social Democratic Party), François Mitterrand, Gaston Defferre, Robert Pontillon, Pierre Mauroy (French Socialist Party), Karl Wienand, Hans-Eberhard Dingels (German Social Democratic Party), James Callaghan, Ron Hayward, Tom McNally (British Labour Party), James Tully, Brendan Halligan (Irish Labour Party), Golda Meir, Aharon Yadlin, Michael Harish, Lou Keddar (Israel Labour Party), Francesco De Martino, Mario Zagari, Enzo Enriguez-Agoletti, Francesco Gozzano (Italian Socialist Party), Flavio Orlandi, Antonio Cariglia, Maria Vittoria Mezza, Mario Melani (Italian Social Democratic Party), Robert Goebbels (Luxembourg Socialist Labour Party), Joe Attard-Kingswell, Alfred Sant (Malta Labour Party), Joop den Uyl, André van der Louw (Netherlands Labour Party), Trygve Bratteli, Reiulf Steen (Norwegian Labour Party), Mario Soares (Portuguese Socialist Action), Olof Palme, Bernt Carlsson, Anders Faerm (Swedish Social Democratic Labour Party), Arthur Schmid (Swiss Social Democratic Labour Party), Hans Janitschek, Rodney Balcomb, Alan J. Day (Socialist International).

The conference generated massive publicity, partly because in the week before President Pompidou had attacked it as an 'inopportune' intrusion into French political life. Most observers agreed that this extreme reaction by the French President was an indication of the nervousness of the French right on the eve of the National Assembly elections due in March, particularly since all the opinion polls are showing the front of Socialists, Communists and left-wing Radicals led by M. Mitterrand far ahead of the Gaullists in public esteem.

It was made clear that no official contact would be made with the visiting heads of government, who would be treated as party 'militants', said Pompidou (a term simply meaning 'active party members' that was widely mistranslated in the English-language press as 'militants'). The Gaullist press even suggested that French relations with the countries concerned might be damaged by the meeting. In the case of Golda Meir an added twist was provided by the fact that French-Israeli relations have not been at their best since the 1967 war.

All five prime ministers involved responded to Pompidou's outburst by confirming that they would attend the conference nevertheless, and pointing out that the International has staged similar meetings in several capitals in recent years without provoking such a reaction.

In spite of what Pompidou said, the Party Leaders did not find themselves in quarantine in Paris. Apart from the hospitality extended by the French Socialists, they were also given a reception by the President of the French Senate, Alain Poher, who is the second man in the state after Pompidou, and incidentally not a socialist.

Wide-ranging Discussions at Bureau Meeting

The Bureau of the Socialist International met in London on 9-10 December, attended by thirty representatives of fifteen member parties. The following is a summary of the main decisions taken:

● An Extraordinary Bureau Meeting is to be held in Santiago on the invitation of the Radical Party of Chile in the first part of February.

● The Bureau discussed the splits and divisions in the Spanish socialist movement, which have resulted in there being at present three main factions in the movement, in exile and inside Spain. It was agreed that a special committee should be established and meet in Paris at the Party Leaders' Conference to examine this situation and to mediate between the groups. The special committee comprises the Italian Socialist Party (PSI), the Italian Social Democratic Party (PSDI), the Chile Radical Party,

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SOCIALISTS AND EUROPEAN UNITY

Freedom Before Commercial Interest

RAMOS DA COSTA

A leading member of the Portuguese Socialist Action (ASP), which is a member of the Socialist International, explains his party's attitude to Portugal's relations with the European Economic Community.

the French Socialist Party and the British Labour Party. This committee subsequently held its first meeting in Paris on 12 January 1973.

● The Bureau considered the political situation in the Malagasy Republic, in which connection it heard a report from André Resampa, Leader of the Malagasy Socialist Union and a former Interior Minister, who attended the Bureau for this item by special invitation. Following this report, the Bureau decided to suspend SI membership of the former ruling party, the Social Democratic Party, and to recommend to the 1973 Council Conference that Resampa's party, the Malagasy Socialist Union, should be admitted as the member in Madagascar, subject to the Social Democratic Party having the right to appeal.

● The Bureau adopted the following statement on Vietnam:

The Socialist International welcomes the moves towards a settlement of the Vietnam war and urges the parties involved not to lose this opportunity of ending the suffering of the Vietnamese people.

The International repeats its belief that a political solution would be greatly facilitated by the immediate cessation of the bombing of Vietnam by the United States, that all foreign military units should be withdrawn from Indo-China and that a coalition government should be established in South Vietnam to organise free elections as soon as possible and that prior to these decisions, all political prisoners should be released.

● The Bureau discussed the question of the levy on Jews wishing to leave the Soviet Union, on the basis of an introductory statement by the Israeli Foreign Minister, Abba Eban, who stated that his latest information was that the emigration tax had been firmly reimposed by the Soviet authorities. After detailed consideration of the question, the Bureau decided to reactivate its Study Group on Soviet Jewry (chaired by Robert Pontillon of the French Socialist Party), to produce an up-to-date report on recent developments.

● The Bureau also instructed the General Secretary of the Socialist International to prepare a report on seriously oppressed minority groups in all parts of the world.

● The Bureau also discussed the question of the rise of international terrorism. The Bureau decided to establish a special working party to study the question of international terrorism with Alex Kitson (British Labour Party) as Chairman, with particular reference to co-ordinating international trade union action.

immoral from the political point of view, and that it furnishes Caetano's government with yet another means of flouting the Portuguese people. Moreover, they consider that it damages the country's economy. The free trade agreement already has no effect on the products we export the most: these products will continue to be taxed through the customs, and their importation will be subject to quotas. This will above all be the case in France and Italy. France indeed produces the same articles, and is bound to favour French-speaking countries on the Mediterranean coast who are our competitors: Morocco, Tunisia, Algeria. As for Italy, it is common knowledge that this country produces large quantities of agricultural goods covering the same range as that of Portugal.

Portuguese Socialists find the clause on sensitive sectors particularly damaging, although nobody yet knows its exact significance. But rejection is warranted merely by knowing that textiles will be included in this category. We must not give up the advantage that accrues to us through the considerable export of these products.

The Portuguese government will alas be compelled for its part to accept the least advantageous clauses and agreements so as to avoid the difficulties created for it by the building of a European community. Above all it has to find ways and means of smuggling through its colonial war, a war which everybody condemns and which cannot be brought to a successful conclusion. It has to make people forget that it governs in an absolute manner, and that is not regularly elected. Forgetfulness has its price.

Portuguese Socialists accordingly appeal to the democratic and socialist conscience of their European comrades, whether they are in opposition or whether they share the responsibilities of power. It behoves no single socialist to place commercial interests

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above the democratic and socialist ideal. With our European comrades we want to build a Europe of working people. To give aid or encouragement to the Portuguese government is to render a grave disservice to the true interests of Portugal and democracy. In objective terms it would spell the

oppression of our people. We as socialists have to struggle for peace. And we would not be struggling for peace if we were to provide yet a new argument for those who, ever more numerous and active in Portugal, place their hope exclusively on the most violent forms of struggle.

SOCIALISTS AT THE POLLS

Trend to the Left in 1972

ALAN J. DAY

The editor of SOCIALIST AFFAIRS summarises a year of electoral success for democratic socialism and pinpoints some of the broader factors which have contributed to this trend.

No less than eight general elections took place in various countries of the developed world in 1972. In all eight the results showed swings to the left, leading in some cases to the formation of governments committed to socialist policies in countries which had seemed irretrievably conservative in their political habits.

The trend to the left was already discernible in 1971, with socialist parties winning elections in Austria, Denmark and Malta. It was continued in January 1972 in Finland, where the Social Democrats consolidated their position as the country's largest party.

The Finnish Social Democrats subsequently formed a minority cabinet, which meant that for the first time in history all four Scandinavian countries were ruled by governments of exclusively social democratic composition. And neither the subsequent formation of a broader-based coalition in Finland nor the collapse of the Labour Government in Norway following the EEC referendum could alter the fact of the continuing predominance of democratic socialism on the Scandinavian political scene.

In May attention focused on the Italian elections. In those the Socialists and the Social Democrats separately polled better than they had done as a united party in 1968, while the Communists, as the largest opposition party, made yet another electoral advance.

Thick and fast autumn
But it was in the autumn that left-wing election victories really began to arrive thick and fast. In quick succession West Germany, New Zealand and Australia fell to the left, while in Canada,

the Netherlands and Japan the left-wing parties made substantial gains.

Norman Kirk confounded the pundits in November by becoming New Zealand's first Labour Prime Minister for twelve years, while in Australia twenty-three years separated Gough Whitlam from the last Labour Premier. Now both are firmly in the saddle with comfortable majorities.

In West Germany the Social Democrats under Willy Brandt achieved their greatest-ever election victory in November. Many observers are now predicting that with good management and a little luck they could emulate the Swedish Social Democrats by staying in power for a generation.

In Canada the October elections gave the New Democratic Party the balance of power between the Liberals and Conservatives, a position which NDP leader, David Lewis, is using astutely to obtain concessions from the new Trudeau Government. In Holland the Labour-led Progressive Front stands ready to form a left-wing minority government following its advance in the November elections and the corresponding decline of the government bloc.

In Japan both the Socialists and the Communist Party did well in the December general elections. Although the conservative Liberal Democratic Party retained its absolute majority, it was not too far-fetched to see in the results the seeds of a future victory for an opposition left-wing front of the kind that ruled briefly after 1945.

More strongly represented
The consequence of this year of electoral advance is that in the developed

world democratic socialism is more strongly represented in the seats of political power than at any previous time. Austria, Belgium, Denmark, Finland, Israel, West Germany, Malta and Sweden, as well as Australia and New Zealand, have Socialist or Labour Prime Ministers. Italy and Switzerland have Social Democrats in their ruling coalitions. In practically every country of the industrialised world social democratic or labour parties constitute the major opposition grouping

The only country in the developed world which appears to have bucked the trend to the left in 1972 is the richest of the rich states, where Nixon beat McGovern by a landslide in the November presidential election. Two points should be remembered, however. Firstly, there was a Democratic majority in the congressional elections. Secondly, and more relevantly to the theme of this article, McGovern's platform, although very progressive in many respects, was not recognisably 'social democratic' in a European sense, particularly in that he did not have firm backing by the organised labour movement. That being the case, his defeat cannot be marked down as a defeat for democratic socialism. When, in 1968, Hubert Humphrey did mount a social democratic campaign against Nixon, he almost won.

Whether or not American voters will have a clear social democratic alternative in the future remains to be seen. What is clear elsewhere in the developed world is that voters are now, more than at any time since the immediate post-war period, ready to take the social democratic option when it is presented to them in a realistic and meaningful way.

Each of this year's left-wing election victories undoubtedly had its own special national characteristics. At the same time some broader considerations do seem to have been playing an important part.

End of cold war
The most far-reaching of these has been the ending of the cold war, the polarising effects of which in the 'fifties and 'sixties had tended to rob social democrats in the West of a distinctive political identity. When East-West relations were bad, social democrats were faced with the stark option of either concurring with establishment thinking on international affairs or laying themselves open to the charge of being agents of the Kremlin. With the rapid progress of détente in the late 'sixties social democrats were again

able to take up their natural position on the middle ground.

In this new situation social democrats could themselves blaze the trail of East-West rapprochement and then reap the electoral reward, as did the West German Social Democrats.

Or, as in New Zealand and Australia, social democrats could use the improvements in the international climate to discredit the outdated attitudes of incumbent governments.

Another important factor working in favour of social democratic parties has been the growing awareness that post-war capitalism is not the success story which its practitioners have claimed. Arbitrary redundancy, regional imbalance, environmental pollution and gross social and economic

inequalities are increasingly seen to be the reward of giving free reign to the capitalist ethic.

At the same time there has been a 'democratic upsurge' in many areas of society in the industrialised countries. In factories, in universities, on council estates and in local neighbourhoods people are increasingly insistent on participating in the decisions that affect their everyday lives.

As the advocates of social control of the economy in the general interest and as the channels and champions of democratic participation in decision-making at all levels, the social democratic parties have begun to benefit from these broader trends, recovering both their ideological confidence and the ability to win elections.

LATIN AMERICA

Chile Against the Multinationals

SALVADOR ALLENDE

The Marxist President of Chile delivered an important speech to the United Nations General Assembly on 4 December 1972 in which he set out the aims of his Popular Unity administration and also described the problems with which it is confronted. The first section of his speech explained why his Government's nationalisation of basic resources, and particularly copper, constituted a historic act of reclamation, quoting many startling statistics, as for example that in the period 1955-70 the Kennecott Copper Corporation made an average annual profit of 52.8 per cent in Chile. He then went on to describe, in the passage published below, how the forces of international capitalism have mounted a sinister campaign against his Government.

We had foreseen that there would be external difficulties and opposition when we began to make changes in Chile, particularly as regards the nationalisation of our natural resources.

Imperialism and its cruelties have had a long and ominous history in Latin America; and the dramatic and heroic experience of Cuba is still fresh in our minds, as is that of Peru, which has had to suffer the consequences of its decision to exercise its sovereign rights over its petroleum.

After all the innumerable agreements and resolutions adopted by the world community, recognizing the sovereign rights of each country to dispose of its natural resources for the benefit of its people; after the adoption of the International Covenant on Economic, Social and Cultural Rights and the Strategy for the Second Development Decade, which solemnly confirmed all these instruments, here we are, well

into the 1970s, suffering from yet another manifestation of imperialism, one that is more subtle, more cunning and more terrifyingly effective in preventing us from exercising our rights as a sovereign state.

From the very day of our electoral triumph on 4 September 1970, we have felt the effects of a large-scale external pressure against us which tried to prevent the inauguration of a government freely elected by the people, and has attempted to bring it down ever since, an action that has tried to cut us off from the world, to strangle our economy and paralyse trade in our principal export, copper, and to deprive us of sources of international financing.

We are aware of the fact that, when we denounce the financial and economic blockade applied against us, it is somewhat difficult for world public opinion, and even for some of our fellow citizens, to understand what we

mean. This aggression is not overt and has not been openly declared to the world; on the contrary, it is an oblique, underhand, indirect form of aggression, although this does not make it any less damaging to Chile.

We are having to face forces that operate in the half-light, that fight with powerful weapons, but that fly no identifying flags and are entrenched in the most varied centres of influence.

There is no embargo against trading with us. No one has stated an intention to fight us face to face. On the surface it would appear that the only enemies we have are our natural political adversaries at home. But this is not true. We are the victims of virtually imperceptible activities, usually disguised with words and statements that extol the sovereignty and dignity of my country. We know in our own hearts, however, the distance that separates these words from the specific activities that we have to face.

Highly vulnerable

I am not talking about vague matters; I am referring to specific problems that burden my people today and that will have even more serious economic repercussions in the coming months.

Like most of the developing countries of the third world, Chile is highly vulnerable on the external side of its economy. Its exports amount to a little over \$1,000 million a year, but over the last twelve months the slump in the price of copper on the world market has meant a loss to my country of income of about \$200 million, whereas the products which the country has to import—both industrial and agricultural—have risen sharply in price, in some cases by as much as 60 per cent. Thus, as nearly always, Chile is obliged to sell cheap and buy at high prices.

Moreover, at this very time, which is itself so difficult for our balance of payments, Chile has had to face, among others, the following concerted actions apparently designed to take revenge on the Chilean people for its decision to nationalise its copper.

Until my Government took office, Chile received a net inflow of resources of approximately \$80 million per year in the form of loans granted by international finance organisations, such as the World Bank and the Inter-American Development Bank. This source of finance has now been cut off abruptly.

In the last decade, Chile was granted loans worth \$50 million by the Agency for International Development of the United States Government. We do not

expect that these loans will be continued. The United States, in its sovereignty, may grant or withhold loans in respect of any country it chooses. We only wish to point out that the drastic elimination of these credits has resulted in sharp restrictions in our balance of payments.

When I became President my country had short-term credit facilities from private United States banks amounting to about \$220 million. Within a short space of time, however, about \$190 million of this total credit was withdrawn and we had to pay this sum as the credit was not renewed.

Like most Latin American countries, Chile is obliged, for technological or other reasons, to acquire substantial amounts of capital goods from the United States. Now, however, both the supplier credits and those normally granted by the Export-Import Bank in respect of this type of transaction have also been denied to us, so that we are in the anomalous position of having to pay in advance to obtain such goods. This places our balance of payments under extraordinarily severe pressure.

Disbursements under the terms of loans contracted with United States public sector agencies, and already in operation before my Government came to power, have likewise been suspended. Consequently, in order to go ahead with the projects concerned—for which it had been confidently expected that financing would be provided by United States Government bodies—we have been obliged to make cash purchases of goods on the United States market, since it is impossible to change the source of the imports in question in the middle of the execution of the projects.

As a result of the actions directed against the copper trade in the countries of Western Europe, our short-term transactions with private banks of that area, mainly involving the collection of payment from sales of copper, have been very seriously obstructed. Thus, credit facilities in respect of over \$20 millions have not been renewed, financial negotiations involving \$200 million which were on the point of coming to a favourable conclusion have been broken off, and a climate has been created which hampers the normal course of our purchases in Western Europe and seriously distorts all our activities in the field of external financing.

In March 1972 documents revealing the link between those dark designs and ITT came to light. The ITT has admitted that in 1970 it even suggested to the United States Government that

limitations of our ability to secure the equipment, spare parts, manufacturing inputs, foodstuffs and medicines which we need. Each and every Chilean is suffering from the consequences of these measures, because they affect the daily life of each citizen, and naturally his internal political life.

What I have just described to the Assembly amounts to a perversion of the fundamental nature of international agencies, the utilisation of which as tools of the policies of individual Member States is legally and morally unacceptable no matter how powerful such States may be. Such misuse represents the exertion of pressure on an economically weak country, the infliction of punishment on a whole nation for its decision to recover its own basic resources, and a premeditated form of intervention in the internal affairs of a sovereign state. In a word, it is what we call imperialist insolence. As members are well aware and are scarcely likely to forget, that kind of action has been repeatedly condemned by United Nations resolutions.

Downright aggression

We not only are enduring a financial blockade, but also are the victims of downright aggression. Two companies belonging to the hard core of the great transnational enterprises, namely, the International Telephone and Telegraph Company and the Kennecott Copper Corporation, which had driven their tentacles deep into my country, proposed to manage our political life.

ITT, a gigantic corporation whose capital is larger than the national budgets of several Latin American countries put together, and bigger even than that of some of the industrialised countries, launched a sinister plan to prevent me from acceding to the presidency just as soon as the people's triumph in the September 1970 elections became known.

Between September and November of that year terrorist activities took place in my country which were planned outside our frontiers in collusion with internal fascist groups. Those activities culminated in the assassination of the Commander-in-Chief of the Army, General René Schneider Chereau, who was a just man, a great soldier and a symbol of the constitutional attitude of Chile's armed forces.

In March 1972 documents revealing the link between those dark designs and ITT came to light. The ITT has admitted that in 1970 it even suggested to the United States Government that

it should intervene in the political events in Chile. The documents are authentic, and no one has dared gainsay them.

In July 1972 the world was shocked to learn the details of a new plan of action which ITT itself presented to the United States Government, a plan aimed at overthrowing my Government within a period of six months. I have in my briefcase the document, dated October 1971, which contains the eighteen points of that plan. Its objectives included strangling the economy, diplomatic sabotage, sowing panic among the population and fomenting social disorder so that the Government would, it was hoped, lose control of the situation and the armed forces would be impelled to break the democratic system and impose a dictatorship.

The decision of the Chilean people to defend the democratic system and the progress of the people's revolution, and the loyalty of the armed forces to their country and its laws, foiled the sinister designs of ITT.

Before the conscience of the world I accuse ITT of attempting to bring about civil war in my country, the greatest possible source of disintegration of a country. That is what we call imperialist intervention.

Today Chile is threatened by another danger, the removal of which depends not only on the national will, but also on a wide range of external elements. I refer to the action taken by Kennecott Copper. The Chilean Constitution provides that nationalisation disputes should be resolved by a tribunal which, like all tribunals in my country, has complete independence and sovereignty in the adoption of decisions. Kennecott Copper accepted that jurisdiction and for a year it pleaded its case before that tribunal.

When its appeal was rejected, however, it then decided to use its great power to rob us of our copper export earnings and to bring pressure to bear against the Government of Chile. It was so bold, in September last, as to request the courts in France, the Netherlands and Sweden to place an embargo on those exports. It will no doubt attempt that in other countries too. The grounds for this action could not possibly be less acceptable, from whatever legal or moral standpoint they are viewed.

Kennecott wants the courts of other nations which have nothing to do with the problems or affairs between the Chilean State and the Kennecott Copper Corporation to declare invalid a sovereign act of my Government

undertaken by virtue of the highest mandate, namely, that given by the country's Constitution and backed by the unanimous will of the Chilean people.

Against international law

Such a pretension runs counter to fundamental principles of international law, according to which a country's natural resources—particularly when they are its very lifeblood—belong to it and can be freely utilised by it. There is no generally accepted international law or, in this case, any specific treaty that can justify Kennecott's action. The world community, organised in accordance with the principles of the United Nations, does not accept that international law can be interpreted in a manner which subordinates it to capitalist interests so as to induce the courts of law of any foreign country to protect a structure of economic relations designed to serve capitalism. Were it to do so, it would be undermining a fundamental principle of international life, that of non-intervention in the domestic affairs of states, as explicitly recognised by the third session of UNCTAD. We are governed by the principles of international law that have been reaffirmed repeatedly by the United Nations, particularly in General Assembly resolution 1803 (XVII), and were recently restated by the Trade and Development Board specifically in relation to the denunciation which my country formulated against the Kennecott Copper Corporation. In addition to reaffirming the sovereign right of all countries to dispose freely of their natural resources, the Board's resolution states that:

... in the application of this principle, such measures of nationalisation as States may adopt in order to recover their natural resources are the expression of a sovereign Power in virtue of which it is for each State to fix the ... procedure for these measures, and any dispute which may arise in that connection falls within the sole jurisdiction of its courts, without prejudice to what is set forth in General Assembly resolution 1803.

General Assembly resolution 1803 (XVII) provides that, in exceptional circumstances, disputes may be settled through international adjudication provided there is agreement between sovereign states and other parties concerned.

This is the sole thesis acceptable to the United Nations. It is the only one which conforms to its philosophy and principles. It is the only one that can protect the rights of the weak from the abuse of the strong. As is only right

in view of the foregoing, we have succeeded in the Paris courts in securing the lifting of the embargo affecting the proceeds of the sale of a consignment of our copper.

Notwithstanding, we shall continue with undiminished determination to maintain that only the Chilean courts are competent to pass judgement in any dispute concerning the nationalisation of our basic resources.

For Chile, this is not merely an important problem of juridical interpretation; it is a question of sovereignty. Indeed, it is far more than this—it is a question of survival.

The aggression perpetrated by the Kennecott Copper Corporation is causing serious damage to our economy. The direct difficulties that it has posed for the marketing of copper alone have meant the loss of many millions of dollars for Chile in two months. But that is not all. I have already referred to the effect that it has had in obstructing my country's financial operations with Western European banks. Quite clearly, there is also a desire to create a climate of uncertainty among the purchasers of our principal export product, but that shall not happen.

Such are the designs of that imperialist enterprise at the present time. It cannot hope, however, that any political or judicial power will in the long run deprive Chile of what is legitimately its own. It is trying to force our hand, but it will never succeed.

The aggression of the great capitalist enterprises is intended to prevent the emancipation of the working classes. It represents a direct attack on the economic interests of the workers, in this specific case, levelled against Chile.

Chile is a nation which has attained the political maturity to decide by majority vote to replace the capitalist economic system by the socialist. Our political system has shown that it possesses institutions that are sufficiently open to have brought about the expression of this revolutionary will without violent upheavals. It is my duty to inform this Assembly that the reprisals and economic blockade that have been employed in an attempt to produce a chain reaction of difficulties and economic upsets represent a threat to domestic peace and coexistence. But they will not achieve their evil intention.

The vast majority of the Chilean people can resist this threat with dignity and patriotism. What I said at the beginning will always be true: the history, the land and the people of Chile have combined to produce a great feeling of national identity.

FROM THE SOCIALIST PRESS

No Credibility

BRUNO PITTERMANN

The Chairman of the International, writing in the Austrian Socialist Party daily Arbeiter-Zeitung (7 January 1973), discusses the question of relations between democratic socialism and communism.

It seems appropriate at the end of 1972, the year in which the 12th Congress of the Socialist International took place, to contest certain reports emanating from the communist camp. Reports of the Congress in the Soviet Union press evidently attempted some objective presentation, but they became bogged down in the traditional schematic description of right and left wings within democratic socialism.

It is clear that no recognition is given or is intended to be given to the fact that the communist working-class movement in the democratic countries rejects the Soviet system, and in its new conception of 'socialist democracy' comes ever closer to the principles of democratic socialism.

But why should this only be the case in the democratic countries? The answer is simple: because Soviet communism is not prepared to permit any development towards socialist democracy in the signatory states of the Warsaw Pact, and indeed resorts to violent oppression, as in the Czechoslovak Socialist Republic.

In that country the Communist Party concerned had decided, through a vote taken by its central committee, on adopting the path of socialist democracy, and this step was in no way a result of outside intervention or through the pressure of anti-communist forces.

The Soviet Union press calls for discussion. The Socialist International has allowed its member parties a free decision as to whether they wish to carry out such discussions, and, if so, with which communist parties. For these discussions can only take place in democratic countries, where communist parties have the same rights as all other parties. In the countries where communists enjoy exclusive rule, there can be no discussion between communist and social democratic parties, since supporters of democratic socialism are oppressed and persecuted there as enemies of the state.

It is this fact which renders any

statement from the communist side devoid of credibility which purports to say that communists concede equal rights to parties of democratic socialism in representing workers' interests. So long as this is not recognised to be the case in countries under communist rule, such a declaration, valid in the sphere of democracy, must perforce be understood to mean that communists only recognise the equal rights of democratic socialism in those areas where they have not the power to rule alone.

If the Communist Party of the Soviet Union can permit the French party and other communist parties to accede to the multi-party system of democracy, whilst in the Soviet Union itself and in the countries of its allies communist rule is firmly maintained through the hegemony of a single party, there is either no longer a common ideological basis uniting the communist parties or such declarations by the Communist Party of the Soviet Union must be considered as manoeuvres for easing the period of transition to the Soviet system.

After fifty years of existence of the Soviet Union, what have the communist parties to fear from movements of democratic socialism in their territory where they have till now enjoyed sole rule? If the Communist Party is truly anchored in the people, then social democratic parties will be fated to play a similar role on the sidelines as do most communist parties in the democratic states. Or it may be that working people want to change the bureaucratic systems of the single party state. In that case the time for socialist democracy is ripe, and the existence of democratic parties will serve to make a non-violent transition all that easier.

Of course, despite the fact that recognition of equal rights in democracy is accompanied by a denial of such rights in lands under communist rule, situations certainly do arise where similar conclusions are drawn from different points of departure, as for example in the demand for a halt to the war in Vietnam or in the call for a European security conference.

In the execution of these demands the differences in points of view will be apparent, for example concerning the respect for human rights and especially the sovereignty of all European states. In this connection the Soviet Union could provide convincing proof

of the credibility of its intentions by abandoning the military occupation of the Czechoslovak Socialist Republic.

There can be no credibility if one seeks a scapegoat for a political miscalculation but holds fast to the results of the wrong policy. There can be no credibility if one only recognises equal rights for democratic socialism in those spheres where one at present has not the power to enforce the political monopoly of communism, and at the same time maintains an iron grip where one has the power to do so.

Discussions will accordingly remain sterile until some willingness is shown to engage in serious talks about equal rights for democratic socialism.

The Grand Project

FRANCOIS MITTERRAND

In this article from Combat Socialiste (No. 15, 1972), the First Secretary of the French Socialist Party explains what the union of the French Left is seeking to achieve

The men in power are especially characterised by their will to continue in office rather than by any openness of mind. For some months now we have been hearing them declare that the Socialists, under the spell of the Communists, have fallen into a fatal trap that will surely lead our country to ruin and dictatorship.

The evoking of the red peril, which is the automatic reflex of a class that feels its privileges to be threatened, has to make do for political argument. An attempt is made to scare people, and insinuation and denunciation become the order of the day, so that historical truth is garbled without a qualm to lend support to a doubtful line of argument. In this way inner contradictions are forgotten.

The leaders of the present majority fear for liberty. But can one really say that a country is free when repressive jurisdiction continues to pile up, when the mesh of the police net is daily drawn tighter, and when the ORTF (the French radio and television corporation) has the monopoly of freedom of expression?

The leaders of the majority express fears for the democratic system. But are they not precisely the ones who announced their intention to infringe the rules of succession when it became clear that the public opinion polls were, from their point of view, displaying disquieting trends?

It is laughable to note with what

pathetic zeal they now try to discount the growing dynamism and authority of the Socialists. I write this coolly and dispassionately: the Socialist Party, regenerated and renewed, has never felt as strongly as at the present, thanks to the union of the left and its common programme, that it can establish in France a genuine socialist and democratic government.

If our opponents had read the common programme, they would know that it contains all the principles, guarantees and projects demanded by socialists, for whom socialism and democracy are two ways of expressing the same thing. The time of the cold war is over. The Communist Party is equally engaged with us in the eyes of the public in forging the union of the left and realising its programme.

The right cannot lay claim to the same cohesion. The majority is falling to pieces. The Gaullists are being fragmented into supporters of Pompidou, Faure and Giscard. For a long time, I could say since the departure of De Gaulle, the majority has been nonexistent. Each day reveals further evidence of its lack of imagination and its want of generosity or forward-

planning on behalf of France and the French.

The fact is that more than any other in Europe, French capitalism bears the scars of a society that has outlived its time. Never have the links between money and political power been so close. Never has the gap been so wide between those who create wealth and those who corner it.

For most people daily life is subject to the dreary round of work and travel to and from work. In this society the liberty to dispose of oneself does not exist. Young people, women, elderly people, immigrant labour, minorities of all kinds are sacrificed, treated with contempt or ignored. Long years of mediocrity and conservatism have resulted in a total blockage, a deadening and congealing of everything.

This world must be changed. The grand project of the common programme is to restore man to a sense of his own dignity, to give him the means of choice and of loving his life, in a society freely organised by a socialism that surmounts the problems of the economy and prepares the ground for the necessary cultural revolutions.

Malagasy Socialism

J. W. BRUEGEL

Writing in the Swiss socialist daily Tagwacht, J. W. Bruegel looks at recent political developments in Madagascar in the context of the international socialist movement.

Few people in Europe are aware that the island of Madagascar, situated off the south-east coast of Africa, with an area fourteen times as large as Switzerland but with a population of only some 7 million, has for long been a fortress of social democracy. The influence of French socialists has here proved fruitful indeed. Until 1957 the island was a French colony. Then it achieved limited independence, and in 1960 complete independence. From the outset the Social Democratic Party of Madagascar, a member of the Socialist International, proved to be the leading power in the land in the framework of a democratic multi-party system, being responsible for the appointment of the government and the president. Philibert Tsiranana (aged 60 and a teacher), original founder of the Social Democratic Party and its exponent and candidate, has been elected five times by popular vote to the

office of President, the last occasion being in January 1972. Whatever one may now say against him, his government over many years was a great hope of international socialism, for in most of the African states which have become independent and which aim at realising social progress there now obtains a one-party system that exercises a more or less cruel persecution of opposition elements, and this is the case even in Senegal which is ruled by the socialist President Senghor.

Madagascar was a shining exception. There was a genuine and freely working opposition, the rules of play of democracy were observed, and Madagascar seemed to prove that western democracy was feasible even in newly emergent states. Furthermore, Tsiranana's regime, with financial help provided by France, overcame to a considerable extent the conflict between the different races living on the island. In the colonial period the inhabitants of the high plateau in the interior of the island, with the capital Tananarive, were the dominant people. But they number only a million, and the inhabitants of the coastal zone, who number about 6 million, felt themselves to be oppressed. Under Tsiranana there was majority rule, but the rights of the minority were freely respected.

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This was the position till roughly two years ago. Then the international socialist community was moved to disapproval by the fact that Tsiranana seemed to be moving to the side of the racist South African regime. This was explained away in terms of Madagascar's dependence on its great neighbour state. But worse things were to come. In June 1971, André Resampa, for ten years Minister of the Interior and at the same time General Secretary of the Social Democratic Party, was arrested overnight and held in custody without any charge being levelled against him. Tsiranana had apparently allowed himself to be persuaded that Resampa had designs on his office if not on his life. Interventions by French socialists on behalf of Resampa, who is a convinced democrat and a determined socialist, were without avail. There was now a tendency in the international socialist community to write off, as it were, Madagascar and Tsiranana, who had once been a great hope.

In May 1972 student riots broke out on the island which the government was powerless to control. Tsiranana announced a state of emergency and appointed a military government. A remarkable thing then occurred. General Ramanantsoa, appointed by Tsiranana as head of government, rescued democracy. He invited the nation to vote for a new constitution which envisaged no president of the republic and which gave himself plenary powers for five years. The nation backed it with a giant majority. Tsiranana retired disgruntled to his native village. The General had already released Resampa from custody, and the latter was able to proceed to form in complete freedom a new party, the Malagasy Socialist Union, that was intended to replace the old Social Democratic Party discredited by Tsiranana.

Resampa has now been to London and has reported on the political situation in the island to the Bureau of the Socialist International. On the basis of his and other reports it was first decided to suspend the Social Democratic Party of Madagascar from membership and to recognise Resampa's party as the representative of democratic socialism in Madagascar. But strictly democratic procedure is being adhered to: an opportunity will be given to the old party to present an appeal. But the final result is hardly in doubt. The new party founded by André Resampa is a great new hope for international socialism.

Record of the Greek Social Democrats

In April 1972 SOCIALIST AFFAIRS published an article by George Yannopoulos under the title 'Workers' Rights under the Military Dictatorship' which was extracted from a chapter of a book edited by Mr. Yannopoulos and Richard Clogg called *Greece Under Military Rule* (Secker & Warburg, London). Subsequently SOCIALIST AFFAIRS received a copy of a letter written by Stratis Someritis of the Greek Social Democratic Union (SDE) commenting on remarks made in another part of the book about the SDE. The letter was originally addressed to Mr Yannopoulos, but Mr Someritis has asked SOCIALIST AFFAIRS to publish it, which we do below.

Mr George Yannopoulos
London

Sir, I have just become aware of the contents of note 10 of your article entitled 'The Opposition Forces Since the Military Coup' in the anthology *Greece Under Military Rule*, page 189, which you edited with Mr Richard Clogg (Secker and Warburg, London 1972), and I hasten to express immediately a most vigorous protest against the slanderous and defamatory remarks in it concerning the Social Democratic Union (SDE). In fact, nothing you report in your article pertaining to the SDE is correct.

First, your allegation that the SDE took part in the 1963 elections, and apparently obtained 'several hundred votes' only, is false.

The SDE was founded in the autumn of 1964, that is, a year after the 1963 elections, and its first general meeting took place in Athens in January 1965. The SDE was the fruit of the fusion of three organisations which had been separate until then: the Socialist Union, of which the undersigned was President and Charalambos Protopapas General Secretary; the Socialist League, presided by Agni Roussopoulou; and the Socialist Club, whose General Secretary was Evangelos Kyriakopoulos.

Therefore, no SDE existed in 1963, and since it did not exist, it could not have taken part in the 1963 elections.

The truth, which you either do not know or are falsifying on purpose, is that in the 1963 elections, in the first place, the Socialist League supported the Centre Union, and particularly those Centre Union candidates who were also League officers. In Athens it supported Ilias Tsirimokos and Stavros Kanellopoulos. Both of them, inside the Centre Union, obtained tens of thousands of votes, evidently on account of their resistance and socialist background. Secondly, the Socialist Club, while attempting without success to enroll its officer Sp. Nikolaou in the Centre Union coalition, also supported the entire Centre Union and personally, I believe, Ilias Tsirimokos. Finally, officers of the Socialist Union, acting in concert with certain cadres of the democratic left, ran in Athens (districts A and B), and in Volos, certain individual candidates under the common label 'Democratic and Socialist Movement'. Among these candidates were the undersigned, Charalambos Protopapas and Antonis Drossopoulos. It

Charalambos Protopapas, first General Secretary and then heir to the presidency, and finally Antonis Drossopoulos, who is still General Secretary today—enlisted as opponents of the dictatorship from the very first moment. And this was not merely a personal act. Of the thousands of members of SDE in Greece and abroad, all have remained faithful to its principles and no desertions to the junta line have been noted, except in one or two isolated cases.

You, at least, should personally have remembered that the first declaration against the Junta (21 April 1967) bore my signature. It was published that same day in *Le Monde*, and reprinted by Mrs Helen Vlachos in her book *Free Greek Voices*, p. 140. And you should also have remembered that when you were the representative of the Centre Union in London during the summer of 1967, we laid the foundations, along with Poniridis and Theophilakis, for the cooperation of the Antidictatorship Committees abroad. And also, that from then on we often met in the arena of antidictatorship rallies, where you had the opportunity to meet with other cadres of SDE's foreign branch.

Moreover, Charalambos Protopapas, Antonis Drossopoulos and Vassilis Mavridis (the latter an officer of the Socialist Club), to mention the most prominent, took, from that same first moment of the dictatorship's existence, the position that their socialist ideology imposed on them. Protopapas was tried twice by military courts, and has two convictions totalling twelve years' imprisonment weighing on him. Drossopoulos and Mavridis fled the country. The three of us publicly constitute the nucleus of SDE abroad. Other comrades of ours, who for easily understandable reasons I cannot name, either fled the country too or were exiled within it, were dismissed, lost their posts, and confronted, with indomitable strength, all the adversities and hardships reserved for them by the regime.

All this reveals the gravity of your insult to the SDE and its members. You attribute to SDE Stamatopoulos' and Voyatzis' adherence to the dictatorship in order to provide a basis for uncalled-for slander, which consists of saying that whoever speaks of SDE abroad as an antidictatorship organisation is misleading international public opinion and our comrades, while inside Greece the SDE has adhered to the junta!

Let me add that the SDE had its own newspaper, *Socialist Voice*, which was first put out in 1962 by the Socialist Union and later as an organ of SDE; and that Byron Stamatopoulos' *International Life* was never an organ of SDE. On the other hand, it ceased publication after the founding of SDE—a little before or a little later, I don't remember exactly.

To urge, in the name of resistance to the dictatorship and under cover of academic objectivity, political animosity toward one of the forces now struggling against the dictatorship, to the point of humiliating slander, is so unprincipled and at the same time grievous, that I am certain it must lead to your immediate moral isolation.

On the contrary, the responsible spokesman for SDE—the undersigned, who was President until March 1967,

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SOCIALIST IDEOLOGY

The Workers and the Proletariat

IRVING HOWE

The editor of the New York journal 'Dissent', from a New World vantage point, looks at the historical development of working class consciousness and draws a clear distinction between the working class as a social presence and the proletariat as the agent of socialism.

The working class is a social presence; the proletariat, a historical potential. No one can question the place of the workers in the industrialised countries: their politics, their role in the work process, their ways of life. They exist, they constitute a distinctive class, they are a force. But the proletariat as agent of revolution—this remains a problem, an enigma, perhaps a delusion. For some it is still an indestructible hope; for others a burned-out disappointment.

The working class is a reality, the proletariat an idea. The reality occupies physical and social space, the idea survives in the minds of intellectuals. Surviving in the minds of intellectuals can sometimes endow that idea with great power and thereby transform it into a new social reality. Yet this seems least likely in the advanced capitalist countries, the portion of the world Marxism declared to be centre-stage for the proletarian drama. Perhaps, then, there is something wrong with the idea.

Desperate search
Where the working class has refused to accept the historical role of recreating itself as a revolutionary proletariat, a phalanx of disabled theoreticians, intellectuals and functionaries searches desperately for a connection, some way of linking their idea with the reality. Perhaps, they speculate, all that is needed is patience; perhaps a new strategical policy; perhaps a shock administered to the sullen flesh of the working class. But the reality proves intractable, the connection is not found, and some, in the sardonic words of Brecht, begin to wonder whether it might not be better to create a 'new' proletariat.

The social class or group that remains most attached to the idea of potential of the proletariat, to the hope that it will yet appear in heroic and transfiguring guise, is . . . not the working class itself, indeed, almost anyone but the working class. Sons of million-

working class performs the tasks assigned to it by history (that notorious scold) or it shows itself to be a historical nullity, a class doomed never to fulfil its potentiality through a conquest of power.

Lukacs seems to believe the assignment will yet be completed, Marcuse that the date for completion has long since past. Yet they are not as far apart as might seem. Marcuse has given up on the working class—it has disappointed him—and he scoffs at it as 'integrated', 'one-dimensional', and worse. Lukacs remains, apparently, an orthodox Marxist. But his famous 'voluntarism', in *History and Class Consciousness*, is not merely a persuasive rebuke to the passivity of the old-time European social democrats who acquiesce in the *status quo* by ceding socialism to the automatic laws of history; it is also a counsel of desperation, and sometimes a signal for desperadoes, since it rests on a tacit recognition that the working class has indeed failed to elevate itself to a proletariat, or at least shows little aptitude for doing so by itself.

Consequently, Lukacs places an enormous stress on the 'voluntarism' of the revolutionary vanguard, that is, the self-appointed intellectual elite of the communist parties. By no very subtle methods, this elite takes over or 'replaces' both the working class as it is and the proletariat as it should be but is not. Why this notion should appeal to deracinated intellectuals who propose to substitute guerrilla terrorism for the self-activity of the masses needs no elaboration. A reviewer of Lukacs's book makes the point neatly:

Certainly when Lukacs effects his divorce between an abstract proletarian class-consciousness, whose concrete embodiment is the authority of the communist party, and the empirically observed thoughts and feelings of proletarians submitted to that authority, he opens the door wide for a return to a regime of 'reified' laws and institutions, in the form of the party and its discipline, imposing a false consciousness or ideology on the mass of workers. (*Times Literary Supplement*, 6 June 1971)

Is the option false?
Must we accept the categorical either/or? Suppose that the Leninist option is false and that we need not choose between the working class as proletarian saviour and the working class as supine victim. Suppose it persists in finding its own ends and its own way, neither the precise ends of Marx nor the fixed way of Lenin. Suppose it chooses to be neither the agent of

world-transformation nor the eternally crushed victim of exploitation. To all the neo-Marxists, with or without Hegelian trim, this is the one possibility that seems most irritating. It disturbs their sense of symmetry.

Or suppose, again, that the working class in the advanced countries chooses the path the neo-Marxists call 'embourgeoisement', a phrase that has never been known to frighten a single worker in the entire world. For what the use of this phrase, 'embourgeoisement', really signifies is a contempt for the daily experience and aspirations of the workers. In social reality, the process that provokes this term of execration is the gradual strengthening of the independent institutions of the working class within the welfare state, a society retaining essential elements of capitalism yet steadily modifying them. The working class becomes more firmly established within the society, gaining greater control over the terms and conditions of its life than it has ever had in the past—certainly greater control than any working class enjoys in a communist country.

The workers choose their own path. Marxists had always said, 'the liberation of the working class is the task of the workers alone'. It now seems, however, that many of these Marxists intended a secret codicil: 'yes, but only if that liberation occurs within the delimited avenues to which we, mentors of the working class and creators of the proletariat, have assigned it'.

Nowhere, neither West nor East, has the liberation of the working class yet occurred in the sense that Marxists envisaged. Perhaps what they envisaged must now be seen as a historical limit to be approached rather than a fixed goal to be achieved. In any case, it is useful to ask: where, to use a Marxist category, do the workers come close to constituting 'a class for itself'—where do they have more independence, assertiveness, dignity and a greater sense of their potential: in England, not yet visited by the revolution; or Russia, fifty years after it has occurred? In Sweden, where not a large enough portion of the means of production has been nationalised; or in China, where too large a portion has been nationalised?

History refuses to perform by blueprint. The working class in the West is neither promethean nor servile. With time there remains the possibility that, envisaging new goals and finding new allies, it will move beyond the incremental politics to which it is committed in the welfare state and toward

its own version of socialism. If so, it will have no need for commissars who would discipline it or *enragés* who would terrorize it.

The working class may find yet its

own images of potentiality, surely less dramatic than those assigned to it by Marxist intellectuals but also, one may suppose, less bloody, less apocalyptic, less sacrificial.

S.I. RESEARCH COUNCIL

Two Papers on Multinationals Dimensions of the Phenomenon and Proposals for Future Action

The growing problem of multinational companies is attracting increasing attention and study from socialist parties. The following paper by the British Labour Party, which was prepared as a background document for the Research Council of the Socialist International, describes the huge dimensions of the problem and sets out some proposals for future action by socialist parties.

Such a great wealth of material has now been published on the problems posed by the existence and operations of multinational companies that it seems almost superfluous to re-state these problems once more. It should surely be the purpose of discussions on this topic now to evaluate the various mechanisms proposed by which 'host' governments can influence the actions of multinational companies operating within their national boundaries. However, in order to provide a basis for this discussion, the nature of the problems will be briefly sketched, where possible with concrete examples of action taken.

It is now clearly recognised that many of the difficulties inherent in dealing with multinationals are due to the differences in culture and legislation between the parent and the host countries concerned. It is also clear that the present discussion is almost wholly centred on the impact of multinational enterprise on the 'developed' world. This is a fairly rational basis for the discussion, since the OECD has suggested¹ that two-thirds of global foreign direct investment in 1966 was in industrialised countries, and that the major sector involved was manufacturing.

We will therefore assume throughout this paper that the conflict we describe occurs in developed industrialised countries, and bear in mind that world-wide the problems may differ. It is reasonable too to refer in general to the problems of US-owned companies. Although almost every industrialised country has at least one

domestically-owned multinational company, the most extreme problems tend to be found under US ownership. There are few, if any, separate problems which arise from a different country of origin for the parent company. Where a multinational company is US-owned there is an immediate source of conflict in the cultural and legislative differences between the countries of ownership and operation. This is particularly evident in Europe where governments have, by and large, moved away from the notion of capitalism governed only by the marketplace, and have become attached to a greater or lesser degree to the concept of planned economies. These governments expect a quite different attitude from that acceptable in the US. The attitude of management, the concept of 'hire and fire' policies for staff, are all alien to the host country. Furthermore, they fear the influence of US government policy acting on their economy through the existence of multinational affiliates. There seems to be considerable justification for such fears, as will be shown later.

It is worth reminding ourselves here that these differences in attitude and the policies which follow are of special importance to socialist parties, who are liable, in government, to find themselves negotiating across a gulf of cultural incomprehension.

Effects of multinational operations

The effects on the host countries of the operations of US-owned affiliates within their boundaries fall broadly into two categories, one predominantly economic and one predominantly social. Although the division is often

a little artificial, it is useful to separate the overall effects on balance of payments figures or parity changes, from the more restricted effects of regional policy or the development of scientific study.

It has long been charged against multinationals that they have the capability of manipulating the flow of returned profit to suit their policy rather than that of host countries. It is also suggested that artificial pricing policies between affiliates and parents can be arranged such that profit is declared where taxation is least punitive. In Canada in 1960 the trade balance was in deficit at C \$1.148m. At the same time the flow of profits out of the country was twice that figure.

When we turn to the question of inter-company trade an interesting picture emerges again. The shift of funds can be carried out by intercompany sales, royalties and technical assistance fees. A glance at Canadian experience in the mid-60s shows that remittances from Canadian companies to US parents apart from intercompany sales and dividends were four times the inflow of loan funds from these parents.

The level of sales, royalties and fees is also high. In 1965 Canada's trade deficit with the US included a net \$35 million worth of imports, due to trade between Canadian affiliates and their US parents. In the same year the US received \$909 million in royalties. British payments of royalties under manufacturing licences are believed to be more than \$100 million annually.

The scale of multinational operations can also mitigate against a host country's economic interests at times of parity difficulties. In 1964 and 1967, when the pound was under pressure, the level of remissions from the UK to foreign-owned companies rose substantially and certain firms, e.g. Massey-Ferguson (Canadian), deferred payments to their British affiliates. Similar operations were carried out during the French crisis in 1968.

Exports controlled

Suspicion is often expressed that the exports of multinational affiliates are controlled not by their own interests nor those of the host country but by those of the parent company. Indeed, it is suggested that in some cases parent companies 'carve up' the world into territories for each affiliate. This limitation on the affiliates' freedom to export can be inimical to the policy and well-being of the host country. Australian industry is said to have

experienced such restraints.

The car industry provides an excellent example of the way in which the interests of the parent company or its country may prevent affiliates from exploiting an opportunity which might benefit their host country's economy. In 1969 Ford USA produced the Maverick, promoted as a substitute in the American market for small foreign cars. From the point of view of its affiliates, their hosts, and perhaps the company itself, the more economical step would have been to import from Ford's European affiliates. In the interests of the US balance of payments, however, Ford produced the car domestically. The incident provides a classic example of affiliates' interests being sacrificed at the wish of a parent company.

Ford also exemplify the 'market-sharing' policy. For instance, Ford UK leaves the EEC market to Ford Cologne and concentrates on the preference areas. Thus in 1969 Ford UK exported 33,000 cars to South Africa, 31,000 to Australia, 20,000 to Portugal, 9,000 to Switzerland and 6,000 to Canada, while selling only 16,500 to the whole of the six members of the EEC. To Ford removal of the EEC tariff barrier only means the right to compete with Ford Germany at the cost of losing substantial tariff advantages elsewhere.

Discussion of export markets also introduced the question of US foreign policy interests and their interaction with other 'independent' nation states. At the time of various American trade bans, eg on trade with Cuba, pressure has been brought to bear on US-owned affiliate companies to obey US foreign policy and obey trade bans which are not recognised in the countries where they operate.

Spread of Technology

Reference to excessive US domination of host country policy through US-owned agents leads naturally to a consideration of the technology of multinationalism. Yet again, the initial effects of the introduction of new techniques are beneficial to the host economy and population. Once again, however, the need to control and to concentrate power in the interests of the parent company begin, after a time, to create new problems for the host state.

US-owned affiliates tend in this field to show 'good corporate behaviour' in that, just as they export more than many domestic competitors, so many of them spend more on modern re-

search and development. But here again the nature of their relationship with their parent causes natural and valid governmental fears.

The parent company tends to concentrate its research facilities at its headquarters and to draw from its affiliate any above-average staff or ideas. Where companies are allowed or encouraged to have a research effort of their own, this is usually strictly governed from the company centre. This policy has the dual effect of increasing the dependence of the host country on foreign technology and depressing its own research.

Even where, in the interests of good relationships with host governments, separate research organisations are set up, only in rare cases are they truly independent. Surveys of multinational behaviour in Britain, Canada and Australia have confirmed the general dependence on parent companies in this field, such that in Britain many firms send new ideas of their own to the parent company for testing and development.

Host governments have been forced, however, reluctantly, to accept that in the 'high technology' industries the level of expenditure required for research programmes may be beyond their means. For example, the French firm Machines Bull and Olivetti of Italy went into partnership with General Electric because of their inability to keep up with developments alone. Gradually governments and multinational companies are feeling their way to an accommodation of interest in these matters.

Domestic trading patterns

The entry of a multinational corporation into an existing market can have favourable results in the short term. In cases, for example, where a monopoly previously existed, the new oligopoly may have a marginal effect in restricting price rises, and otherwise enhancing competition. Again, though, there can be major disadvantages. Backed by the resources of its parent company the affiliate is able to indulge in salesmanship and price-cutting which may severely damage the competing domestic companies. If this in the long run reduces competition the consumer ultimately suffers. Moreover, many governments who can accept with equanimity market domination by a domestic company become alarmed when the dominator is controlled from sources entirely outside its sphere of influence and with quite separate interests of its own.

¹The Growth and Spread of MNCs, Economist Intelligence Unit, 1971.

That their concern is valid is evidenced by the problems presented by, for example, the operation of US anti-trust laws on the trading patterns of host countries. In the era of economies of scale many countries wish to encourage mergers and 'rationalisation' among domestic concerns. But where US-owned affiliates are operating, the depredations of the US Department of Justice, with its rigid interpretation of anti-trust laws, can prevent mergers which are in the interest of the host country's economy because of the effect on the US market. The prohibitive factor is that of 'reducing competition' or 'tending to create a monopoly'.

Since the Department has held that even 10 per cent of the market could constitute 'dominance' of the US market (ie in the Von case in 1968, which concerned a merger within the US), the problem is a severe one. It leads us once again to the main point of concern about US-owned multinational corporations—their tendency to force host countries to obey the interests of US policy rather than their own. This is a particularly interesting case in that the laws concerned were formed for the sole reason of protecting the *American* consumer and *American* entry to other markets.

Trade unions

In the case of trade unions the interdependence of multinational companies is at once a weakness and a source of strength. The weakness lies in the policy of central decision-making. Unions are unable to discover whether the local or the central management are deciding their case, and therefore unable to be sure of being heard in the right place. At the same time the spread of the enterprise allows both short- and long-term blackmail to be employed. A strike can be circumvented by new short-term arrangements, and threats of transferred investment can be extremely effective. The classic example of such a threat was the outburst of Henry Ford in Britain in 1971 suggesting that all new investment would be channelled into continental Europe unless British workers modified their behaviour. The threat was empty; the aspiration was not.

As multinationals spread, however, two new phenomena appear. Firstly, increasing specialisation (in the car industry for example) gives workers a greater weapon than before—in that one factory on strike can halt the whole organization. Secondly, trade unions are responding by building up

a multinational union movement. The International Metal Workers and Chemical Workers Federations in Geneva point the way ahead in this aspect. They are collecting case histories from all over the world to point to company precedents. They are comparing local experience to evaluate where decision-making occurs. They have set up world councils, of which the most famous are in the motor world—a council of unions which deals, for example, with General Motors and Ford.

The ICF has also demonstrated that despite all the difficulties involved, it is possible to get union cooperation across national barriers, as for example in supporting the Japanese chemical workers union in 1968, or refusing to help Pirelli compensate for the strike of Italian unions in 1970.

And precedent was really set in the case of St Gobain, the French glass manufacturers. In 1969 four of the affiliate unions were negotiating with the company. A general meeting of affiliates from all twelve countries was held in Geneva. A joint plan of action (which included a plan for a global boycott) was discussed and it was agreed that no union would withdraw from the dispute until overall settlement had been reached. The unions believe that they obtained greater concessions than they would have got by bargaining alone. The case of this US subsidiary is especially interesting, since the company had made losses in 1967 and 1968 and the rise was won on the overall profits of the international accounts.

Similarly the US anti-trust laws may be used to prevent mergers abroad which would affect the conduct of the US market. In 1969-70, when Ciba and Geigy (both Swiss) were merging, they had to make specific provision for their US subsidiaries. Difficulties were raised too when British Petroleum attempted a merger with Sohio (Standard Oil of Ohio), because of the arrangement of petrol markets with the US operating at that time.

Perhaps the worst example of this dominance occurred when in 1965 the US imposed its voluntary capital restraint programme. US companies abroad increased their net returns by 15-20 per cent, in order to assist the US balance of payments problems.

These controls persisted until 1968 when they were made mandatory. The effect of these regulations was that companies in which a US firm had a 10 per cent stake were forced to tailor their dividends to the needs of the US investor. This position persisted

often-cited case of the US electronics industry's movement to Japan, Taiwan and Hong Kong explains the fears of workers in industrialized countries.

Asset formation is intended to give workers in industrialised countries areas of the company than the cash flow. Where wealth is in capital equipment the company's figures on what it can afford in cash terms are not related to its total wealth.

Clearly, trade unions must find and develop new weapons of this kind in order to be able to cope in the modern world. The outlook on this front in 1973 is better than one would have expected a few years ago, and seems to be gradually improving.

Instruments of US policy

In general, then, it is clear that the main problems of multinational ownership are those caused by the strong links between parent company and affiliate, and the use made of those links by the parent.

The US-owned companies we have discussed have too often allowed themselves to become instruments of US government policy. As described earlier, the operation of US trade bans or of their anti-trust laws has been imposed on unwilling host countries through the agency of US affiliate firms. France under De Gaulle was prevented from selling Caravelles to China because they contained US-made electronics. These rules are now relaxed, but they still exist and are still a potential source of friction in host countries.

Similarly the US anti-trust laws may be used to prevent mergers abroad which would affect the conduct of the US market. In 1969-70, when Ciba and Geigy (both Swiss) were merging, they had to make specific provision for their US subsidiaries. Difficulties were raised too when British Petroleum attempted a merger with Sohio (Standard Oil of Ohio), because of the arrangement of petrol markets with the US operating at that time.

At present, then, Canada has non-mandatory guidelines which stress the paramountcy of Canadian interests and which demand the publication of adequate information. It also has limits on investment in certain areas (25 per cent on foreign equity in banks) and an adjusted taxation system (advantages for advertising in Canadian-owned papers, 15 per cent tax on in-

to 1969.

The significance of this series of events lies in the compliance of US firms with the US Government, to the detriment of their obligations to governments or economies elsewhere. Canada, Australia, Japan, Spain and many other countries complained bitterly about the effects of these measures on their own balance of payments, but no one was left in any doubt as to the priorities of the companies concerned.

In the episodes described in this section, as in earlier more specific examples, the same themes persist and the same problems arise. Having outlined these problems we should now consider the alternative solutions offered.

Existing regulations

Several governments have already taken some form of individual action. *Japan:* Japan allows foreigners to own up to 50 per cent of any new Japanese firms. In existing companies the maximum is 25 per cent. In both these cases any one foreign investor can own only 7 per cent. (There are a few exceptions where a higher percentage of ownership is permitted.) Japan is now under strong pressure to liberalise its trade rules, especially in the car market.

Canada: Canada, because of its closeness to the US, has an exceptionally high proportion of foreign investment. In 1968 a Task Force report was produced which suggested that Canada should press US subsidiaries to increase their productivity and should itself set up a development corporation to stimulate and rationalise home industry. It also called for mandatory enforcement of 'good behaviour' guidelines, for greater Canadian shareholdings and more disclosure of information.

In 1970, after a row over a bid for the uranium producer Denison Mines, the Canadian House of Commons external affairs committee proposed an ultimate goal of 51 per cent Canadian ownership of all industry and Canadian directorships in proportion with shareholdings.

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terest paid to non-resident lenders unless the company is 25 per cent Canadian owned, when the tax falls to 10 per cent). In short, Canada is attacking the problem by a combination of restrictive measures and the promotion of domestic industry.

Britain: Medium and long-term borrowing in the United Kingdom by foreign-owned firms is now more prevalent and more strictly subject to rules. Controls have also been established over borrowing from the Euro-dollar pool on a short term basis. The abolition of the Industrial Reorganisation Corporation by the Conservatives has removed one of the chief weapons which might have been used to forestall a multinational bid. The British have attempted to meet the multinational challenge by strengthening their own firms to compete.

Proposals for future tactics

1. Host governments can always fall back on promoting domestic industry to a point where it is competitive with multinationals, but this is never easy and often impossible. Nevertheless, a degree of increased strength in the domestic economy can only be beneficial, even though it may not serve to affect the problem of dealing with multinational companies.

Many countries are now turning to some form of state agency or holding company which will promote rationalisation and encourage efficiency. This particularly holds good for 'key' industries.

2. Trans-national European mergers would exclude US capital but merely create home-grown giants. Presumably they would fail to act as a channel for US policy, but the other problems created by huge unaccountable bureaucracies would remain, and some degree of control would be as necessary as ever. In recent years such mergers have in any case failed to meet with the approval of national governments, who are suspicious of each other as well as the USA. The Commission has urged tax and legislative harmonization to make mergers more easy, but little progress has been made.

3. International agreements on some form of legislative code of good behaviour are often proposed. As it is increasingly obvious that workable and enforced international agreements are required, for example in the monetary field, these proposals begin to seem more realistic. As already indicated, some governments (eg Canada) already have their own code. It should be possible to find common ground on such matters as disclosure of information.

4. As a background to such a code,

It was for equality in this latter sense that the new middle class really took up the cudgels. But as these demands became linked with an economic system—free competition and an unrestrained market economy—they gradually cancelled themselves out.

The political and economic structure of the liberal society resulted in new class distinctions and new privileges. The economically successful, who did not want to accept any limitation of their actions or opportunities to accumulate wealth, also accumulated economic and political power and, along with this, property and the means of achieving a completely different standard of living from that of the masses. These advantages were then inherited by their descendants. Opportunities were never equally distributed. The equal rights avowedly sought never became reality.

The demand for justice

The principle that all men have equal worth has been defined by the social democrats to mean that *all men have the same right to live a full and satisfying life*. These rights, for example the right to education, the right to equality before the law, and the right to political and economic influence, are not enough. Nor can we accept the conservative method of preserving a society of privilege by asserting that those who live in deprived conditions are just as 'satisfied with their lot' as the more favoured. The Swedish Social Democratic Party interpretation of equal rights to a full life is that each citizen should have equal *freedom of choice* to shape his own future. Thus a clear relationship exists between the desire for freedom of choice and the struggle for equality.

Human and social relationships. Greater equality in conditions of living is not merely a goal in itself. Great disparities in standards and influence complicate and poison relationships and communication between individuals and groups. Socialism should be seen as a freedom movement, in which freedom from the pressure of external circumstances, class divisions and insecurity is considered a *prerequisite* for new human relationships marked more by co-operation and community and less by self-assertion, competition and conflict among various groups in society. Equalizing conditions of life then becomes a means of changing human relationships, of creating a better social climate. The cooperation which the Social Democrats aim at should take

place on equal terms and between equals.

An efficient society. The traditional middle-class criticism of the equality policy of the Swedish Social Democratic Party is that greater equality must be bought at the price of reduced efficiency, slower economic growth, etc. It may be replied, however, that even in terms of efficiency it is gross mismanagement to allow only the better-situated to develop their inherent talents and fully express themselves in society. Groups which are lagging behind, with unused resources to contribute to the common good, are a hindrance both to efficiency and to desirable social change.

We are thinking not only of equality in the *utilisation* of all society's facilities and resources. The concept of equality concerns just as much the possibility of *influencing* the choice of what goods, services, cultural experiences, environment qualities will be available in society.

This applies to:

● Economic democracy on the parliamentary level; that is to say, the citizens' right to express themselves as voters on guidelines for production and economic life in general, and consequently about future consumption possibilities and environmental conditions. The disputes of the 'fifties and 'sixties in Sweden regarding the public sector should be considered in this context.

● Democratic conditions at the grass-root level; that is to say, the opportunity for the individual, in co-operation with others, to influence his own immediate life situation, in working life, in schools and institutions, in his living environment.

Arguments against equality

One argument frequently advanced against the equality policy is that it would involve the risk of sameness and uniformity—that everyone would be cast in the same mould: it would eliminate distinctiveness. The Swedish Social Democratic Party maintains that this is neither the objective nor will it be the result of the equality policy. Greater equality in economic, social and cultural conditions does not prevent people from developing their own unique character, cultivating their personal interests, their particular way of life and generally creating variation and diversity in society. On the contrary it is inequality, class distinctions, which pigeonhole people and limit their opportunities to shape their lives freely. A more equal distribution of

resources, influence and opportunities for choice increases variety in society and in the life of the individual. There is strong reason to believe that promoting equality of opportunity gives more scope to human individuality, for each person to shape his life according to his own ability and not along lines dictated by class.

Another objection concerns the feasibility and sometimes the justice of attempting to create equality, when human beings are so obviously different in physical, intellectual and mental capacity. Here also the arguments for equality are simple and well supported by experience. First, when individuals' aptitudes are similar, say for education, certain occupations, influence—the possibilities open to them should also be similar regardless of birth, place of residence, parental income, etc.

Secondly, the Social Democrats' view of equality means that, where nature has created great and fundamental differences in abilities, these must not be allowed to determine the individual's chances in life, but rather that society should intervene to 'restore the balance'. These differences, in the form of physical or intellectual handicaps, can never be eliminated, but they can be reduced in a generous social climate, and one can work against their leading to social discrimination. Disadvantages inflicted by nature should not be accepted as something we can do nothing about.

Poverty amid affluence

The goal of equality is interpreted differently according to political conviction. The *liberal* view of equality, which is also held by large groups of conservatives, has had a tenacious vitality in the public debate in many countries. The objective is primarily to give individuals equal initial opportunities in life, by breaking down economic, educational and other barriers. The kind of society in which men subsequently work is much less important from the equality point of view. Instead the predominant factor is an economic doctrine which considers competition and rivalry to be the most important forces for improving economic growth and the standard of living. As a result, the liberal conception of equality becomes mainly a right to compete on equal terms. This view fails to see that the competitive orientation itself means that the less aggressive risk being elbowed out and isolated from the mainstream of society. Misfortune is built into the

mechanism of such a society. Nor has it been understood that the effort to achieve more equal initial opportunities in an economic sense requires radical changes in the distribution of power and in the possibilities for large groups of wage-earners to exert influence.

Class distinctions and inequalities have instead been seen both in conservative and liberal circles as the price that has to be paid for a high degree of efficiency in production and a rapid rise in prosperity with a high standard for all, even though it may be unequally distributed. Increasing numbers of people have become aware of the breakdown of this efficiency myth during the past decade. The experience of other countries has shown that policies based upon such premises involve the risk of social stagnation.

Contact and communications between the different social classes decrease or become hostile. Broad strata of the population consider they have no reason to remain loyal to a social system and economic power groups which neglect elementary demands for a socially dignified existence. Societies split up, the different social groups isolated behind obdurate barriers. The result is stalemate which promotes neither the goal of economic efficiency nor the kind of social change where the great majority can develop their abilities and contribute to society.

A policy which aims to use the diverse resources of each individual and leads to the gradual reduction of differences in conditions of life is, in the opinion of the Swedish Social Democrats, justified by obvious principles of justice. What is more, it is a precondition for stable social development and for the preservation of social stability.

Narrow system of rules

Equality requires a society in which a man's working conditions are more attuned to his abilities and preferences, where the residential environment makes possible contacts between generations and groups and counteracts the categorisation of people, and where finally the individual has greater chances to participate in the decision-making processes which affect his immediate life situation, at work, in the neighbourhood, etc. Such a social climate is necessary to modify those circumstances which exclude individuals and groups from the mainstream of society. It is also a crucial issue for the great majority of people.

In their working life most people

are subordinate and have decisions thrust upon them from above because of a traditional structure of organisation. Their freedom of action and of movement are limited by a narrow system of rules. Working environment has not improved at the same pace as the general improvement in standards. Eighty per cent of wage-earners affiliated to the Confederation of Trade Unions are still subject to health risks in their work places.

Many of us live in modern and spacious housing; half of all Swedish dwellings have been built since the Second World War. But few of us have an environment around our housing accommodation which provides meaningful leisure activities, and all too few can influence the planning of that environment.

The distance between the leaders and the led increases rather than diminishes, in the public sector as well as in private industry. In the wake of technological development comes increased specialisation and some centralization of decision-making. But it is not indisputable that all decisions ought to be centralised. A major task of the labour movement is to find ways to increase citizen participation and responsibility in an increasingly complex and to some extent entirely new industrial society.

Equality throughout life

Giving young people equal initial opportunities is an inadequate goal for one more reason. Social democracy maintains that society's responsibility for providing the individual with equal opportunities for development applies throughout his life.

This concept of equality leads to specific demands for social policy and at the same time spotlights serious difficulties. Individuals develop in different ways and under varying circumstances, even from similar beginnings. We know that people who, early in life, become accustomed to success and rapid improvement in their standard of living later increase their demands on life. On the other hand, persons who meet unfavourable circumstances expect less and less of life. The initial differences are strengthened, to the good or to the worse, as life goes on.

The questions which now emerge as essential are:

- In what respects do large groups in our society still make too modest demands on life?
- What sub-groups are especially subject to the escalation of adverse cir-

cumstances and should therefore receive special attention in the equality policy?

● How should society design its measures to further the rights of weak groups and create real equality in those areas where modest demands and various types of environmental hindrances have made general measures insufficient?

Inequalities are changing

Growth itself always involves risks of new distinctions. Efforts to create equality must comprise preventive measures to diminish new gaps or to keep them from developing.

Concentration of power, technological development. International concentration of private capital has resulted in increasingly expanding markets, more and more employees are dependent on giant multinational corporations, international combines which lack any form of internal democratic representation and are also not directly affected by the limitations national governments can enforce on private corporations. These new concentrations of power are growing up around us in the world where we have to find employment.

The technological development promoting this process of concentration is a two-edged sword. Although it contributes to freeing us from many physical hardships of earlier times, it also leads to stress and monotony in working life and increases the distance between the decision-making expert and the worker. It is more difficult for the layman to exert political influence.

In its equality programme the Swedish Social Democratic Party expresses the fundamental belief that with determination we can pursue a policy of equality, in spite of the forces at home and abroad which tend to safeguard and even widen class divisions. But this requires that the concept of solidarity which is the backbone of the labour movement finds expression in all areas of social life, constantly opposing the consolidation of the interests of the few and emphasising the rights of the underprivileged.

In order to avoid development towards a harsh and disintegrated society it is necessary that equality be supported by a *popular movement* which can fight hard against the interests of power groups, against elitist scales of value which dominate large areas in the world where we have to live and work.

REPORTS

AUSTRALIA

Whitlam's First Moves

The final results of the Australian general elections held on 2 December 1972 showed that the Labour Party victory was narrower than had appeared from the preliminary returns. After all the votes in Australia's complex preferential voting system had been counted the strength of the parties in the House of Representatives was established as Labour 67 seats, Liberal-Country Party 58. The pre-election position had been Labour 59 seats, Liberal-Country Party 66.

Altogether the ALP gained eight seats from the Liberals, the Country Party maintaining its strength. Labour made appreciable advances in the urban areas of Sydney and Melbourne, but lost several seats in Western and South Australia, and, surprisingly, one in Victoria. Labour ended 23 years of unbroken Liberal-Country Party rule with a swing of only 2.5 per cent, although it should be remembered that in 1969 there was a pro-Labour swing of 7 per cent. The ALP obtained 49.6 per cent of the vote in the December election. Significant for the ALP's success was the decline of the right-wing Democratic Labour Party, whose preference votes generally go to the conservative parties, from six to five per cent.

The ALP Leader, Gough Whitlam (56), was sworn in as Prime Minister on 5 December. The day after a meeting of the new Parliamentary Labour Party on 18 December, at which the 27 members of the new Cabinet were elected, the Labour leader announced the distribution of portfolios as follows: Gough Whitlam (Prime Minister and Foreign Affairs), Lance Barnard (Deputy Prime Minister and Defence), Frank Crean (Treasurer), James Cairns (Overseas Trade and Secondary Industry), Lionel Murphy (Attorney-General), Albert Grassby (Immigration), William Morrison (Science and External Territories), William Hayden (Social Security), Rex Patterson (Northern Development), Kenneth Wreidt (Primary Industry), Douglas McClelland (Media), Frederick Daly (Property and Services), Donald Willesee (Special Minister), James Cavanagh (Works), Clyde Cameron (Labour), Thomas Uren (Urban and Regional Development), Charles Jones (Transport), Kim

by improved pay and conditions.

On becoming Prime Minister Gough Whitlam immediately began the implementation of Labour policies in a number of fields. On 5 December he announced that diplomatic contacts would be initiated immediately to prepare the ground for the exchange of ambassadors with Peking. He also announced that in the United Nations Australia would now support resolutions deplored the continued refusal of Britain to bring down the Smith regime in Rhodesia as well as sanctions against South Africa and Portugal. Subsequently Mr Whitlam announced bans on all Australian wheat exports to Rhodesia and on racially-selected sports teams entering or passing through Australia. On 6 December, following Gough Whitlam's intervention, seven Vietnam conscription resisters were released from prison. On 19 December Gough Whitlam announced moves to establish diplomatic relations with East Germany. And following the resumption of American bombing of North Vietnam in late December Gough Whitlam sent a letter of protest to President Nixon which although its contents were undisclosed was said to have been the most strongly worded protest ever made by Australia to the USA.

Two other interesting decisions made by the new government were to start giving Aboriginal children primary education in their own language and to abolish all the remaining constitutional and legal powers which Britain has over Australia.

In fulfilment of another election pledge, the Labour Government on 23 January ratified both the Nuclear Non-Proliferation Treaty and the Seabed Arms Committee Treaty.

Mr Whitlam's first overseas journey after becoming Prime Minister was undertaken on 20-22 January to New Zealand, where the Labour Party under Norman Kirk came to power a week before the ALP. After two days of talks the Labour premiers issued a joint communiqué appealing to France to call off its proposed nuclear tests in the Pacific. Failing such an assurance being given, the two leaders pledged their intention to work together to oppose the tests by all appropriate means in consultation with other countries in the region. For New Zealand Norman Kirk told a news conference that he stood by his pre-election threat to send a frigate into the test area with a cabinet minister on board as a last resort.

AJD

SOCIALIST AFFAIRS

NEW ZEALAND

Labour Acts on Foreign Investment

Following the landslide to the Labour Party in the general elections on 25 November 1972 (see last issue), Labour Leader Norman Kirk was sworn in as Prime Minister on 8 December. The composition of his government, including two Maoris, one a woman, was announced the same day. Two new portfolios were included—Works and Development, and Sport and Recreation—as promised in the Labour election manifesto. The cabinet has been expanded to 20 members, which, said Mr Kirk, would help to ensure that ministers were not so overloaded by day-to-day responsibilities that they could give no consideration to longer term needs.

The ministers and their responsibilities are as follows: Norman Kirk (Prime Minister, Foreign Affairs), Hugh Watt (Deputy Prime Minister, Labour, Works and Development), Warren Freer (Trade and Industry, Energy Resources), William Rowling (Finance), Martyn Finlay (Justice), Matiu Rata (Maori Affairs, Lands), Michael Connelly (Police, Customs), Arthur Faulkner (Defence), Norman King (Social Welfare), Robert Tizzard (Health), Colin Moyle (Agriculture), William Fraser (Housing), Henry May (Local Government), Basil Arthur (Transport), Philip Amos (Education and Island Affairs), Mrs T. Whetu M. Tirikatene-Sullivan (Tourism and Associate Minister of Social Welfare), Joseph Walding (Overseas Trade, Recreation and Sport), Fraser Colman (Immigration), Thomas McGuigan (Railways), Roger Douglas (Postmaster-General).

One of the first acts of the new Labour government was to announce that \$NZ10 million would be granted to the countries of Indo-China over a five-year period for rehabilitation and reconstruction of war devastation. New Zealand's army training teams are to be withdrawn from South Vietnam as soon as possible, it was also announced. Other decisions of the new government included: mutual recognition and the establishment of diplomatic relations with Communist China, the setting up of a national export corporation, a contribution of \$US1 million to the Asian Development Bank and the restoration of compulsory acquisition powers to the New Zealand Wool Marketing Corporation.

In the Labour Party election mani-

festo strong pledges were given that overseas investment in New Zealand would be subjected to greater scrutiny than under the National Government, to ensure that New Zealand interests were being safeguarded. On 12 January the new Labour Minister of Finance, Bill Rowling, issued a statement following a cabinet meeting on this question, which said that the government's major objectives in supervising incoming investment would be 'to ensure that New Zealand's natural and human resources are developed to the benefit of New Zealand, in a manner which accords with the best interests of New Zealand and consistently with the preservation of a social and physical environment which promotes the

well-being of all New Zealanders.'

The second objective would be 'to maximise the benefit to New Zealand available from the international transfer of capital and technology, and thus to ensure that overseas investment contributes to the maintenance of a satisfactory rate of economic growth in New Zealand, while making certain that ownership and control of New Zealand resources is not unwisely or unnecessarily transferred to overseas residents'.

The statement adds that legislation

will be introduced at an early date to

provide 'a clear and consistent framework for the administration of overseas investment in New Zealand'. AJD

BELGIUM

Leburton Takes Over

A new coalition government was formed in Belgium on 25 January with the Socialist Edmond Leburton as Prime Minister. The new cabinet brings together the country's three traditional parties—Socialists, Social Christians and Liberals. It succeeds the Social Christian-Socialist government under Gaston Eyskens which resigned on 22 November 1972, following disagreements over the settlement of the country's enduring language divisions. The new government will command a majority of more than two-thirds in the Belgian Chamber. It will therefore be well-placed to push through the constitutional amendments which the previous government's 'federal solution' to the language problem entails.

The new government has 36 members—22 full ministers and 14 state secretaries. Nineteen are Flemish speaking, 16 French-speaking and one German-speaking. Fifteen are Social Christian, 13 Socialist and eight Liberals. Seventeen come to governmental responsibility for the first time. Two women become state secretaries, one of whom is Irène Pétry, the Chairman of the International Council of Social Democratic Women; her responsibility is for development co-operation.

The nine Socialist ministers are: Edmond Leburton (Prime Minister), Edward Anseele (Communications), Edward Close (Interior), Willy Calewaert (Flemish Education), Frank Van Acker (Social Security), Pierre Falize (French Culture), Willy Claes (Economic Affairs), Ernest Glinne (Labour), Hans-Jochen Vogel (SPD)—Housing and Town Planning, Egon Franke (SPD)—Inter-German Affairs, Horst Ehmke (SPD)—Research and Technology, Klaus von Dohnanyi (SPD)—Education and Science, Erhard Eppler (SPD)—Development Co-operation, Egon Bahr (SPD)—Without Portfolio, attached to Chancellery, Werner Maihofer (FDP)—Without Portfolio.

our), Guy Cudell (Brussels Affairs). The four Socialist state secretaries are: Henri Fayat (Overseas Trade), Abel Dubois (Walloon Regional Development), Irène Pétry (Development Co-operation), Jef Ramaekers (Institutional Reform).

AJD

GERMANY

Brandt's New Cabinet

Following its victory in the Federal German elections on 19 November 1972, the coalition of the Social Democratic Party and the Free Democrats was formally restored to power on 15 December. Its membership—13 Social Democrats and 5 Free Democrats as against 11 and 3 respectively in the previous Cabinet—is as follows: Willy Brandt (SPD)—Chancellor, Walter Scheel (FDP)—Foreign Affairs and Vice-Chancellor, Hans-Dietrich Genscher (FDP)—Interior, Gerhard Jahn (SPD)—Justice, Helmut Schmidt (SPD)—Finance, Hans Friderichs (FDP)—Economic Affairs, Josef Ertl (FDP)—Agriculture, Walter Arendt (SPD)—Labour and Social Affairs, Georg Leber (SPD)—Defence, Katharina Focke (SPD)—Health, Lauritz Lauritzen (SPD)—Transport, Hans-Jochen Vogel (SPD)—Housing and Town Planning, Egon Franke (SPD)—Inter-German Affairs, Horst Ehmke (SPD)—Research and Technology, Klaus von Dohnanyi (SPD)—Education and Science, Erhard Eppler (SPD)—Development Co-operation, Egon Bahr (SPD)—Without Portfolio, attached to Chancellery, Werner Maihofer (FDP)—Without Portfolio.

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The Federal Chancellor, Willy Brandt, presented the programme of his new government to the German Parliament on 18 January. In the field of foreign policy he made it clear that with the signing of the treaty regulating relations with East Germany, the emphasis in the next legislative period would be switched away from *Ostpolitik* and on to Western Europe and the Atlantic Alliance. He said that his government's aim was the creation of a European union as outlined at the Paris EEC summit last autumn, and he added that the people of Europe expected a strengthening of 'the social welfare and democratic components of the EEC'. He supported the extension of the powers of the European Parliament.

But the larger part of the Chancellor's ninety-minute speech to the Bundestag dealt with domestic policies, in confirmation of expectations that the new SPD-FDP coalition would be

much more concerned with internal reform than the old. Herr Brandt said that it was necessary in a modern society that people should share responsibility and decision-making. But he did not clarify whether an agreement could be reached between the two coalition partners on the controversial 'co-determination' issue. The SPD advocates equal representation for the workers on the supervisory boards of all large companies, while the FDP feels that workers should have only a third of the seats on such boards.

● The final results of the 19 November elections showed slight changes from the figures quoted in the last issue of *SOCIALIST AFFAIRS*. The SPD obtained 45.8 per cent of the vote (not 45.9), and the FDP 41 seats (not 42), while the Christian Democrats got 44.9 per cent (not 44.8) and 225 seats (not 224).

AJD

INDIA

Socialist Party Regroups

More than 2000 delegates attended the National Conference of the Indian Socialist Party at Bulandshahr near Delhi on 5-8 January 1973, which elected a new Chairman and General Secretary in the persons of, respectively, George Fernandes and Surendra Mohan.

George Fernandes opened his presidential address to the conference as follows: 'On 9 August 1971 three socialist parties in the country merged to form one party of socialism. The birth of the Socialist Party was hailed by the toiling people as a hopeful development in an otherwise bleak situation.'

The mood of the Bulandshahr conference 'was determined by the resolve of the delegates to put an end to this chapter of defiance, vilification, suspense and ad hominem'.

AJD

JAPAN

Left-Wing Parties Gain

The Japan Socialist Party gained more than thirty seats in the general elections held on 10 December 1972. The Japan Communist Party also did well. The Democratic Socialist Party lost ground. The ruling Liberal Democratic Party lost seats, but maintained a comfortable majority in the House of Representatives.

The JSP increased its pre-election strength of 87 seats to 118, out of 491. The party won just under 11.5 million votes—21.9 per cent of the total, compared with 21.4 per cent in the last general election in 1969. The Communists climbed from 14 to 38 seats (6.8 to 10.5 per cent). The DSP declined from 29 to 19 seats (7.7 to 7 per cent). The other main opposition party, the Buddhist-inspired Komeito, also lost votes, falling from 47 to 29 seats (10.9 to 8.4 per cent).

George Fernandes was referring to the merger of some components of the Indian democratic socialist movement in August 1971 and the subsequent difficulties which this merger encountered, with a number of factions developing which did not accept the

of the total vote of over 52.4 million, Prime Minister Tanaka's Liberal Democrats secured 24.6 million, which represented 46.9 per cent compared with 47.6 in 1969. The LDP has 271 seats in the new House of Representatives, a drop of 26.

AJD

BRITAIN

Labour Student Organisation Charts Future Course

Seventy-eight delegates representing some 8,000 Labour students gathered at Durham University this month (3-6 January) to mark the first year of the National Organisation of Labour Students, the new student organisation of the British Labour Party.

In his opening address Alex Neil, the retiring chairman, congratulated the organisation on a 15% increase in the number of affiliated organisations, which now stood at 38. He went on to say that this increase had to be seen against the very real fact that 'the Labour Party is still failing to attract young people and indeed a large proportion who do join the party soon become disillusioned and leave'.

Still very much in its infancy NOLS is a coalition of forces: politically between marxists and liberal social democrats, regionally between Scotland, Wales and England and educationally between the universities and non-university sections of higher education. The threat always remains that the coalition will break down on one or more of these fronts. However, during the conference a coalition was formed which gives NOLS a base from which to develop over the coming year.

The second NOLS Conference determined that this development will take place within the Labour Party through affiliation to constituency Labour parties. In conjunction with its sister organisation the Labour Party Young Socialists, NOLS will endeavour to revitalise the party and its commitment to socialism. NOLS will also work within the National Union of Students to accelerate the process of the NUS becoming the student trade union and establishing links with the TUC and subsequently its political wing, the Labour Party.

The post of first full-time paid chairman of any Labour Party youth organisation was hotly contested between Jeremy Birch, who for the past year had been vice-chairman, and Ian Davidson, who was chairman of

Edinburgh University Labour Club. Both candidates in their speeches stressed their role in ensuring that conference decisions were carried out. Jeremy Birch saw the need for an aggressive socialist perspective, while Ian Davidson emphasised the need for NOLS to build up over the year so that it could become a more effective organisation able to carry out the decisions passed at the conference. In the event Ian Davidson won by five votes in a closely fought contest.

The first campaign involving the new officers will be a mobilisation of support through local trade union branches against the Conservative Government's recently announced education policy for the next ten years. At the same time NOLS will be discussing a replacement policy for the next Labour Government with the NUS. As part of this campaign NOLS will also seek to get student grants recognised as being a wage and therefore subject to annual review to take into account the cost of living index. This concern to relate student problems with those of other sections of society was a dominant feature of the conference. It is a theme which NOLS is well placed to take up through links with the trade unions at local Labour party meetings.

Despite the large number of domestic issues there was time to debate international issues, the most prominent of which was the use of 'terrorism'. The delegates came out very strongly against the use of terrorism to achieve political ends on the grounds that 'it acts against the interests of the working class' and leads to the attitude that 'the terrorists will do it for us'. Conference also agreed to join the Labour Party Young Socialist campaign against Franco and the NUS South Africa Campaign. NOLS will also maintain international contacts through the International Union of Socialist Youth, to which an application has already been made for affiliation. Hopes are high that NOLS will be joining the LPYS at the next IUSY Congress in Malta at the beginning of May.

As yet an embryo organisation, NOLS will be particularly aware of the need to make the first year of having a full time chairman a success. A major area that the Labour Party will be looking to is the 3,700,000 student voters in higher education. In a situation where 'the prospect of a Labour Government no longer excites the imagination of young people' the task will not be easy. Labour students,

however, must win the support of these voters and can do it with the right sense of socialist commitment.

Neil Vann

UNITED STATES

Social Democrats' Convention

The United States Socialist Party-Democratic Socialist Federation has approved a change in the organisation's name and adopted a programme calling for the building of a mass social democratic movement in the United States and urging 'firmness against communist aggression' abroad. The organisation adopted Social Democrats, USA as its new name during its recent National Convention held in New York City on 29-31 December.

The Social Democrats, USA also re-elected as co-chairmen Bayard Rustin, the noted civil rights activist and intellectual, and Charles S. Zimmerman, a long-time leader of the International Ladies Garment Workers Union. Other officers elected by the new organisation included James Glaser, first vice-chairman with three other vice-chairmanship posts going to Dr Samuel Silverberg, President of the Forward Association and publisher of the *Jewish Daily Forward*, Paul Feldman, editor of the social democratic publication *New America*, and Samuel H. Friedman, a former vice-presidential candidate of the Socialist Party.

The Social Democrats, USA were formerly known as the Socialist Party. Its leaders included Eugene V. Debs, Norman Thomas, Morris Hillquit and A. Philip Randolph. During 1972 the Socialist Party merged with the Democratic Socialist Federation. The decision to draft the proposal for a new name came out of the discussions which led to unity of the two groups. The decision, which was carried by 72 votes to 34, followed a debate in which the majority spokesmen claimed that the term 'social democrats' more accurately described their political philosophy and that dropping the term 'party' had been long overdue.

They also asserted that the new name would distinguish the organisation from its communist opponents and from the Smaller Socialist Labor and Socialist Workers parties, the latter a Trotskyist communist organisation.

Joan Suall, National Secretary of the new organisation, said the change of name represented 'no substantive change in our commitment to the building of a democratic socialist

society in America'. She added: 'Our organisation stopped running candidates many years ago. Today we support major party candidates who indicate a commitment to moving the country in the direction of social democracy.'

Paul Feldman, editor of the organisation's news journal *New America*, added that the term 'socialist' had become 'hopelessly identified in the public mind with the communist world'. The communists speak of their 'socialist lands', 'socialist block of nations', and 'socialism', as descriptions of their totalitarian societies.

'Our movement, in contrast, is identified in Europe and elsewhere as social democratic. Essentially, this means we favour the achievement of socialism through democratic, peaceful and constitutional means.'

Michael Harrington, the former co-chairman of the party who resigned last autumn because he felt the party was not giving strong enough support to Senator McGovern, said he was 'very saddened' by the change, which meant 'not simply the abandonment of a name but of a tradition'. He added: 'In an attempt to become more acceptable to the American people and the American trade unions, the change would result in our giving up our socialist content.' Michael Harrington promised that he and his 'coalition caucus' would continue the struggle for socialist causes.

The political programme adopted during the three-day Convention called for applying wage-price controls 'equitably to all forms of income—or abolishing them altogether'. It opposed 'short cut, diversionary solutions' such as racial quotas and held 'the main hope for black Americans lies in the success of the American labour movement's struggle for an egalitarian society'. The Social Democrats expressed their strong solidarity with the AFL-CIO and the mainstream forces in the American labour movement.

The section on international policy declared that the 'greatest enemy of socialism today is the world communist movement' and asserted that the possibilities for peace that now exist derive 'not from peaceful Soviet intentions but from the more or less successful containment of the Soviet Union over the last quarter of a century and the growth of polycentrism in the communist world'.

The document also called for 'increased American support for all democratic elements within anti-colonialist national liberation move-