14 th Post~War Congress of the Socialist International

NOVEMBER 3~5, 1978, VANCOUVER

Programme & introductory speakers
General theme: Peace & Development

Friday, November 3

Morning Session	**Opening of Congress** Opening speeches by Dave Barrett and Ed Broadbent
Afternoon Session	**World Economy** François Mitterrand, Willy Claes, Frank Cluskey, Léopold S. Senghor **Sub-Theme North-South Relations** Michael Manley, Shimon Peres, Ryosaku Sasaki, Mário Soares, Reiulf Steen
Evening session	**The Situation in Latin America and the Caribbean** Felipe Gonzalez, Daniel Oduber, José Francisco Peña Gomez, Anselmo Sule

Saturday, November 4

Morning session	Opening speech by Dennis McDermott **World Economy (continued)** **Sub-Theme Multinational Corporations** Oscar Debunne, Luigi Coccioli, Oscar Arias Sanchez, Joop den Uyl **Southern Africa** Olof Palme, Bettino Craxi, Lionel Jospin, Hans-Juergen Wischnewski
Afternoon session	**Disarmament** Kalevi Sorsa, Robert Pontillon, Habib Thiam, Inga Thorsson
Evening session	**The Situation in the Asia-Pacific Region** Roo Watanabe , George Fernandes, Tamio Kawakami,

Sunday, November 5

Morning session	Opening speech by David Lewis **Human Rights, including sub-theme Terrorism** Ichio Asukata, Ian Mikardo, Irène Pétry, Pier Luigi Romita **Closure of Congress**

SOCIALIST AFFAIRS

November/December 1978 Socialist International Information No. 6/78

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Socialist International

SI BUREAU MEETING PARIS

Left to right: François Mitterrand, Willy Brandt

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Socialist International
88a St Johns Wood High Street
London NW8 SJ7 Great Britain

Telephone 01-586 1103
Telex 261735
Cables Intesocon London

Paris Bureau Meeting

Canadian Scene
Robin V. Sears

Socialism and Economic Democracy
Michael Harrington

Ten years after the Prague Spring
Zdenek Hejzlar

Human Rights in U.S. Industry
Franklin Wallick

Cubans in Africa
Basil Davidson

Social Democracy and Eurocommunism
Stuart Holland

S.I. Report on Multinationals

North South Commission

S.I. Statement on Nicaragua

S.I. Statement on Iran

S.I. Congress 1978 — Agenda

ndt, Federal Germany

Presidents
atteli, Norway

Vice Presidents
Edward Broadbent, Canada
Bettino Craxi, Italy
Bruno Kreisky, Austria
François Mitterrand, France

Socialist International

SI BUREAU MEETING PARIS

The Bureau of the Socialist International met in Paris on September 28-29, 1978, at the invitation of the French Socialist Party. The meeting was attended by 70 delegates representing 31 affiliated organisations from 26 countries.

Summary of Proceedings

The Bureau unanimously decided to recommend to the Congress of the Socialist International that the Republican People's Party of Turkey should be admitted to the Socialist International as a full member.

There were two main themes of the meeting: 'Europe and its relations with the world' which was introduced by François Mitterrand; and 'Multinational Corporations'. Oscar Debunne presented to the Bureau the report of the Socialist International Study Group on Multinational Corporations. The report was approved without amendment.

Vilem Bernard and Zdenek Mlynar reported on the situation in Czechoslovakia. The Socialist International's two Italian member parties, PSI and PSDI, agreed to act as joint hosts to a Conference on Czechoslovakia at which matters raised during the current meeting would be further discussed. Otto Kersten informed on the efforts by Vladimir Klebanov and others to form an independent trade union movement in the USSR. José Francisco Peña Gomez and Salvador Jorge Blanco, reported on the elections held in the Dominican Republic on May 16, 1978, and on the subsequent developments.

The Bureau adopted statements on the Middle East, Tunisia, Western Sahara and Nicaragua, which are published below. Michael Manley was elected Chairman and José Francisco Peña Gomez Vice-Chairman of the Socialist International Committee on Latin America and the Caribbean. Lionel Jospin reported on the Socialist International mission which had visited Tunisia on June 15-17, 1978. It was composed of Lionel Jospin, Alain Chenal (French Socialist Party) and of Aldo Ajello (PSI, Italy). It was decided that the Socialist International should send Claude Germon of the French Socialist Party as observer to Tunisia.

Left to right: Otto Kersten, François Mitterrand

Background: Robin V. Sears and Vera Matthias

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heard the report of the Socialist International Mission sent to Tunisia in June and adopted the following proposals:

"(1) Sending an observer of the Socialist International to the trial of the U.G.T.T. leaders.

"(2) Asking that the respect of human rights be strictly guaranteed in Tunisia in particular during the present trial.

"(3) The Socialist International to approach the Tunisian authorities to launch a process for a political opening in the spirit of democratisation."

Western Sahara. "The Bureau of the Socialist International is happy to learn that since its meeting in Madrid steps have been taken by different organisations to come closer to a solution of the West Sahara problem.

"The Bureau of the Socialist International underlines the West Sahara resolution it has adopted in Madrid and asks all parties to the conflict to find a quick solution by way of negotiations."

Nicaragua. "During the last forty years the people of Nicaragua have been oppressed by the Somozas' dictatorship established by imperialist intervention in that country despite the struggle of Cesar Augusto Sandino.

"Anastasio Somoza's tyranny has increased its repression since the murder of the opposition leader Pedro Joaquin Chamorro, seeking to sustain him in power and to survive through political manoeuvres which range from a supposed political amnesty to an apparent dialogue with some sectors of the opposition in an attempt to divide them or label them "Communist".

"Nevertheless the repudiation of the regime is unanimous among the Nicaraguan people. This makes urgent a Socialist International meeting to demonstrate solidarity with the Nicaraguan people and to agree upon concrete measures to support their struggle. Therefore, the Socialist International Bureau unanimously:

"(1) Condemns the Somoza regime and its criminal actions against the Nicaraguan people.

(2) Deplores the fact that the American Organization of States, far from implementing its constitutive charter's provisions and with the support of a majority of military regimes which opposed a so-called interventionism, did not pass a resolution that would have contributed to the respect of human rights and the re-establishment of democracy in Nicaragua.

(3) Calls upon all world democratic forces to repudiate the Somoza dictatorship and to promote and encourage concrete measures, such as the adoption of all kinds of sanctions, in order to help the cause of freedom and democracy for the Nicaraguan people.

(4) Agrees to convene an urgent meeting of the Socialist International, in a Latin American country, in order to establish specific actions of solidarity to support the struggle of the Nicaraguan people."

FOURTEENTH CONGRESS OF THE SOCIALIST INTERNATIONAL November 3-5, 1978, Vancouver

The Fourteenth Congress of the Socialist International will be held in Vancouver on November 3-5, 1978, at the invitation of the International's Canadian member party, the New Democratic Party. The last Congress of the Socialist International was held in Geneva in November 1976.

'Peace and Development' will be the general theme of the Congress. Under this umbrella the following sub-themes will be discussed:

— World Economy (including North-South Relations and Multinational Corporations)
— Disarmament
— Southern Africa
— Human Rights (including Terrorism)

The Congress will also elect the President, Vice-Presidents and General Secretary of Socialist International for the coming inter-Congress period.

It is also the function of the Congress to admit new member organizations or to change the membership status of existing member organizations. The Bureau of the Socialist International has recommended that the Congress should admit three parties to membership of the Socialist International. These are the Barbados Labour Party, the National Revolutionary Movement of El Salvador and the Republican People's Party of Turkey. It has also been recommended to the Congress that the membership status of the US Democratic Socialist Organizing Committee should be that of full member party.

Observers from a considerable number of non-member organizations will attend the Congress. Among these are:

International Confederation of Tree Trade Unions; Amnesty International; National Liberation Front, Algeria; MPLA, Angola; Federación de Partidos Socialistas, Argentina; Partido Radical Intransigente, Argentina; Unión Cívica Radical, Argentina; Barbados Labour Party, Barbados; Movimiento; Izquierda Revolucionaria, Bolivia; Movimiento Nacionalista Revolucionario de Izquierda, Bolivia; Partido Socialista, Bolivia; Botswana Democratic Party, Botswana; Movimento Democrático Brasileiro, Brazil; Partido Trabalhista, Brazil; Christian Left Organisation, Chile; MAPU Party, Chile; MAPU Workers' and Peasants' Party, Chile; Partido Socialista, Chile; Izquierda Democrática, Ecuador; National Democratic Party, Egypt; Movimiento Nacional Revolucionario, El Salvador; Unión Revolucionaria de Guinea Ecuatorial, Equatorial Guinea; Eritrean People's Liberation Front, Eritrea; Eritrean Liberation Front, Eritrea; People's Progressive Party, Gambia; Frente Unido de la Revolución, Guatemala; Partido Revolucionario Auténtico, Guatemala; PAIGC, Guinea-Bissau; Partido Revolucionario Hondureño, Honduras; National Front of Iran, Iran; Progressive Socialist Party, Lebanon; Partido Revolucionario Institucional, Mexico; Istiqlal, Morocco; Union Socialiste des Forces Populaires, Morocco; FRELIMO, Mozambique; South-West Africa People's Organisation, Namibia; Frente Sandinsta, Nicaragua; Partido Revolucionario Democrático, Panama; APRA, Peru; Partido Independentista, Puerto Rico; Somali Socialist Revolutionary Party, Somalia; African National Congress, South Africa; CCM, Tanzania; Parti Socialiste Destourien, Tunisia; Mouvement d'Unité Populaire, Tunisia; Republican People's Party, Turkey; Union Démocratique, Upper Volta; Union Progressive, Upper Volta; Partido Socialista, Uruguay; Socialist Party, USA; Polisario Front, Western Sahara; United National Independence Party, Zambia; Patriotic Front, Zimbabwe.

Ilynar, Zdenek Hejzlar, Jiri Pelikan

Left to right: Shimon Peres, Leopold S. Sengor

Participants

Socialist International
Willy Brandt
Bernt Carlsson
ICSDW
Irène Pétry
Caroline Diop
Vera Matthias
IUSY
Alberto Landaburu
Reimund Seidelmann
Austria
Bruno Kreisky
Walter Hacker
Belgium
André Cools
Karel van Miert
Oscar Debunne
Canada
Robin V. Sears
Chile
Anselmo Sule
Carlos Parra
Costa Rica
Daniel Oduber
Denmark
Ejner Hovgaard Christiansen
Dominican Republic
José Francisco Peña Gomez
Salvador Jorge Blanco
Federal Germany
Horst Ehmke
Hans-Eberhard Dingels
Finland
Paavo Lipponen
Pentti Väänänen
Helvi Saarinen
France
François Mitterrand
Pierre Mauroy
Robert Pontillon
Lionel Jospin
Michel Rocard
Yvette Roudy
Jacques Delors
Great Britain
Jenny Little
Ireland
Frank Cluskey
Tony Brown
Israel
Shimon Peres
Nava Arad
Israel Gat
Yirmiyahu Yovel
Italy (PSDI)
Pier Luigi Romita
Luigi Coccioli
Giampiero Rolandi
Italy (PSI)
Bettino Craxi
Aldo Ajello
Mario Zagari
Carlo Ripa di Meana
Japan (JDSP)
Sachiko Taguchi
Japan (JSP)
Shozo Sugiyama
Malta
Alexander Sceberras-Trigona
Maria C. Cilia
Netherlands
Relus ter Beek
Norway
Reiulf Steen
Ivar Leveraas
Thorvald Stoltenberg
Portugal
Rui Mateus
Senegal
Léopold S. Senghor
Moustapha Niasse
Habib Thiam
Spain
Luis Yañez Barnuevo
Francisco Lopez Real
Miguel Angel Martinez
Federico Manero
Sweden
Pierre Schori
Switzerland
Jean-Pierre Ghelfi
Jean-Pierre Métral
United States (SD USA)
Carl Gershman

GUESTS

Consultative parties and ICFTU

ICFTU
Otto Kersten
Czechoslovakia
Vilem Bernard
Jaroslav Krejci
Miroslav Soucek
Miroslav Tucek
United States (DSOC)
Nancy Lieber
Venezuela (AD)
Enrique Tejera Paris
José Francisco Sucre

Others

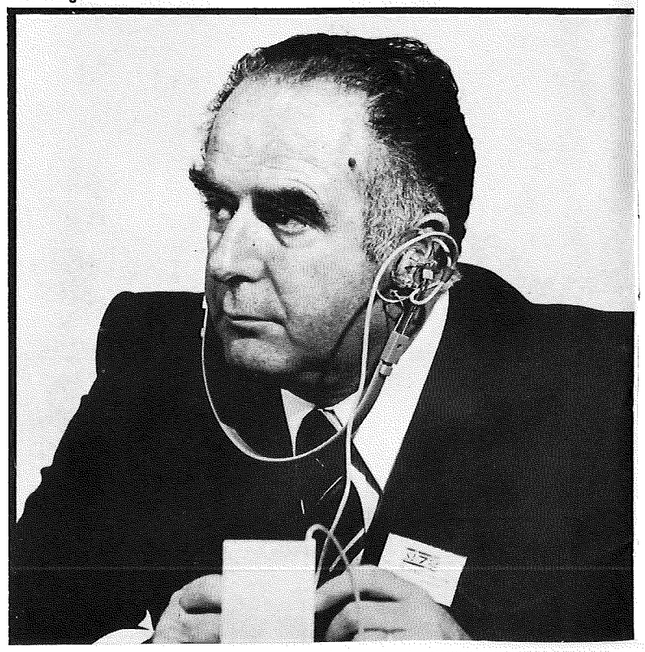
Argentina
Oscar R. Alende
Juan Cesio
Hipólito Solari Yrigoyen
Bolivia
Jaime Paz
Czechoslovakia
Zdenek Hejzlar
Zdenek Mlynar
Adolf Müller
Jiri Pelikan
Ecuador
Rodrigo Borja
Gonzalo Cordova
Guatemala
Alberto Fuentes Mohr
India
Mohamed S. Hoda
Morocco
Mehdi Alaoui
Mohamed Ait Kaddour
Turkey
Ugur Alacakaptan
United States (Socialist Party)
Diane Drufenback
Uruguay
José Pedro Cardoso
Reinaldo Gargano

Apologies

South Korea
Kim Dae Jung (in prison)

Bruno Kreisky

Pier Luigi Romita



CANADIAN SCENE

Robin V. Sears

The Federal Secretary of the Canadian New Democratic Party (NDP) looks at a decade of political developments since the advent of the Trudeau Government and explains the relevance of the NDP's democratic socialist policies to Canada's current economic and social problems.

In the ten years since the election of the Trudeau government Canada has undergone dramatic political change. A series of events since 1968, apparently insignificant in isolation, have together produced major shifts in political power in the country. At the same time the country's mood of expansive optimism has darkened.

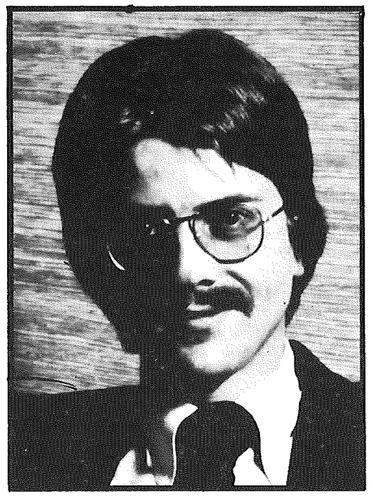
For most of this century Canada has been governed by a succession of Liberal governments. Until the past decade those national governments wielded largely unchallenged political authority in the country. Their ideological character was laissez faire in economic terms, mildly progressive in social policy.

The Liberals had an unassailable power base in the province of Quebec, ensuring their re-election and little competition from a succession of provincial governments unable or unwilling to challenge the federal government's authority in concert. The Liberals presided over, rather than led, a period of economic growth which did much to disguise the structural weaknesses in the economy and regional disparities in the country.

Effects of Trudeau

The election of the Trudeau government in June of 1968 began a series of events whose impact is continuing to snowball. The new government moved rapidly into new areas of policy, funding and regulation, challenging the provinces at a time when they were also beginning to grow rapidly both in expenditure and local political authority. At the same time, Pierre Elliot Trudeau pledged to fuse one Canada from the frequently uneasy partnership between English and French speaking Canadians, precisely at the time that a new Quebecois nationalism was beginning to establish roots in that province. Although it was not apparent then, a process of political polarization in the country began to develop, a process which has inevitably placed pressure on the centrist coalition which is the Liberal Party of Canada.

A brief chronology of events during this period illustrates the progression of change. In 1968 there were no NDP governments in Canada. Within four years three of the ten provinces were led by democratic



socialist governments. The Liberal Party plummeted from a high of six provincial governments to two in 1976. The Conservative Party climbed from two provinces under their control to five.

In the most dramatic change of all the strongly entrenched Liberal government in the province of Quebec was overturned by the separatist Parti Quebecois in November of 1976.

These dramatic electoral shifts took place within the context of domestic and international economic turn-arounds — the oil crisis, a severe decline in jobs and exports in the manufacturing sector, a growing deficit in the balance of payments, sharply rising unemployment no longer solely concentrated in historically weak regions of the country.

The shift of the electorates in other Western democracies to an alienated anti-political stance, coupled with pervasive criticism of the public sector, has been felt increasingly in Canada. The traditionally centre-right Conservative Party has moved further and further into attacks on social expenditure and public intervention in the private sector. This general thesis coupled with more subliminal attacks on the role of women, trade unions, youth and the environmental movement, has paid off handsomely in two provinces at least. These attacks and a coalition of bourgeois parties has precipitated the defeat of two NDP governments in the last three years. It has increased the possibility of a federal Conservative victory.

The response of the federal government to a strong separatist challenge in Quebec, a rapid deterioration economically and a partisan challenge from the right has been peculiar.

In spite of clear indications that the underlying discontent in Quebec in recent years has been the economic malaise, the Trudeau government's response has been to propose several forms of constitutional amendment. The cultural alienation from English Canada and a new sense of community identity among French-speaking Quebecers (some 80% of the population), has been met by a programme to make the federal public service more bilingual — a worthy effort in a country which speaks two languages, but one quite irrelevant to Quebecois political and cultural aspirations, and irritating to much of English Canada.

Despite the evidence of success, in many industrialized nations suffering from similar economic trials, that strong public sector stimulation has produced, the federal government has done next to nothing. There have been token gestures in tax cuts and job creation, but independent economic analysis gives them little credit for real impact. For three years they clamped a very repressive form of wage controls on the trade union movement, focussed on the public sector, wrapped in the garb of a battle against inflation and an attempt to stimulate business investment. The programme was a failure and ended in April 1978 amid a chorus of attacks from the private sector, the provinces, the NDP and the trade union movement.

Not surprisingly, to those countries which have attempted similarly narrow and ill-conceived forms of incomes policy, the residue of the Anti-Inflation Board (AIB) is a bitterness in industrial relations which will last years, and an inflation rate which has now returned to pre-wage control days.

The refusal to use public expenditure to

stimulate the economy and the attack on workers' incomes were probably related more to the government's political concerns about attack from the right than to any economic game-plan. Both positions were championed by the Conservative Party in the 1974 election. In recent months the government has moved even further right in its economic thinking, promising further attacks on the incomes of public sector employees, cutbacks in public expenditure and tough anti-labour legislation.

NDP Response

It is in this context that the New Democratic Party, badly decimated in the 1974 campaign and stung by the previously cited provincial defeats, began to shape a new set of thinking about its stance as a democratic socialist party. Under the new leadership of Ed Broadbent, elected in 1975, the party turned its attention less to social questions, and increasingly towards hard economic policy making. The party membership recognized that in a time of acute economic uncertainty, the party had done little hard thinking about how to deal with the dilemmas the country faced from 1974 on.

Following two years of writing and discussion the 1977 NDP Federal Convention was presented with a package of economic recommendations called "National Priorities". The keystone of the resolutions debated and passed at that Convention was a commitment to the need for economic planning, and the responsibility of the state to intervene in economic decision-making, particularly in times of crisis or change. These two theses seem remarkably pallid set against the new economic initiatives of many of the Western democracies but in the North American context are far from majority views.

From these discussions came the outlines of an industrial strategy for the country unveiled by the Leader in the spring of 1978 to a meeting of the Federal Council. Supported by a detailed research document on the subject, Ed Broadbent outlined the four interrelated problems of the country's current malaise: a growing manufacturing trade deficit, heavy dependence on American trade, concentrated ownership of the manufacturing sector (largely foreign), and severe regional inequality in the country.

This response from the left to a curiously paralyzed government envisaged three phases. Phase one is to concentrate on the encouragement and stimulation of the key sectors of housing, transportation and food. The second phase is designed as a "building block" effort to shore up and expand those industries which are major inputs to manufacturing — metals, machinery, plastics, telecommunications, etc. The third phase is an outgrowth of the first two, emphasizing the development of new export potential. In the months which followed, Broadbent and the Caucus detailed the industries they had in mind and the policy instruments they intend to employ.

Some of those planning levers are well tried in other Western democracies but relatively unknown in Canada. The Canadian Investment Fund proposal, involving the use of tax incentives and blocked funds to channel private investment capital to goals set by government, was modelled on the Swedish experience in this area.

Other proposals were uniquely Canadian responses to dilemmas facing a country whose whole process of government was undergoing dramatic change. In an attempt to deal with the increasingly presidential-style government, the party's proposals promised to involve Parliament, with increased staffs and specialist assistance, and the cabinet in the economic planning process.

This past summer Broadbent proposed further changes to Parliament, incorporating a system of limited proportional representation, to try and deal with the problems of regional access to federal decision-making. Whether the NDP's attempt to carve out some room on the left in its economic proposals, in an atmosphere which is increasingly right-wing populist, remains to be seen.

Future Possibilities

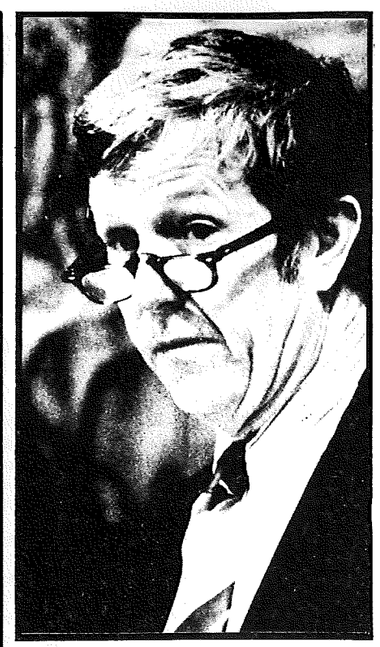
At the time this is being written (early autumn) there are two positive signs. Over the long term, the most encouraging development is the increasingly close relationship between the Canadian Labour Congress and the New Democratic Party. A relationship strained during recent years has grown and developed under the leadership of Ed Broadbent and Dennis McDermott, the newly elected president of the CLC. Very significant commitments in terms of money, personnel and joint political strategies are the key indicators of this new relationship. In the short term the NDP's support in the national Gallup Poll climbed to 19 per cent in August, the highest in recent years.

What is certain is that the process of change — in the role of government, in the relative powers of the two senior levels of government, in the direction of the economy — is likely to accelerate. The test of wills between the Quebec government and Ottawa will reach a new peak next year in a referendum campaign over that province's future. The struggle between Ottawa and the provinces for revenue, authority and the electorates' loyalty will heat up.

The movement towards a political spectrum divided along more Northern European lines, rather than American, seems inexorable. That is, either a firmly right-wing Conservative Party, challenged by a larger, more labour-oriented NDP, with the Liberals occupying the ideologically and geographically shrunken middle. Or less happily, for Canadians and the international socialist movement, a leftward drift of the Liberal Party at the expense of the NDP.

The decade which began so optimistically with the 1968 election looks from this vantage point to be cluttered with missed opportunities, failed promises, and dead ends. How the ten years ahead develop will depend to a considerable extent on the outcome of the next federal election expected later this year or early next. The election of a minority government with strong NDP representation will bring a more activist role to government in economic decision-making. The election of a new Conservative government or a retreaded Liberal regime will mean further retrenchment in the capacity and vision of the public sector nationally.

And if there is any lesson of the years following the oil crisis, it is that those nations led by tough interventionist governments survived. Those led by laissez faire weak governments watched their economies and community fabric deteriorate. Canada stands poised on the brink, therefore, of an historic decision.



SOCIALISM AND ECONOMIC DEMOCRACY

Michael Harrington

In this article the National Chairman of the US Democratic Socialist Organizing Committee (DSOC) examines how socialists can proceed from welfare state politics to the democratisation of basic economic decision-making, particularly as regards investment policy.

Socialism is the modern movement for the qualitative expansion of freedom.

That generality has been familiar for some time. Capitalism, to its undying credit, was the economic system which gave the world political democracy — but it retained economic and social plutocracy. Socialism, socialists have been arguing for well over a century, proposes the democratization of the entire society, extending egalitarian principles into the economy and the social structure. The means to that end could include public ownership, planning and the like; but the end iteslf was always, and still is, freedom, i.e. the liberation of every man, woman and child from every artificial restraint upon their ability to choose their own lives. To this day, the majority of humanity, above all the Third World, is "programmed" by the social and economic accidents of the class, the nation or the race into which they are born. That is an historical, man-made, and therefore changeable, injustice.

But do these broad ideas apply to late capitalist society — to the democratic welfare states of the advanced West (and Japan) which have significantly ameliorated the evils of *laissez-faire*? Yes, they do, and it should be noted in passing that those ameliorations were, in almost every case, the result of trade union and socialist struggle. That is to say, the welfare state reforms were not the consequence of the internal evolution of capitalism but were imposed upon it by anti-capitalist social movements. The system itself was — *and still is* — structurally hostile to such changes. That is why it still requires basic transformations.

Investment Process

I believe that the key to socialist strategy in late capitalist society is the democratization of the investment process. That is where one must define the economics of freedom under contemporary conditions.

There are a number of reasons why I place such a stress upon the investment process. First, in countries like the Federal Republic of Germany, France and Great Britain, conservatives have recently propounded the preposterous argument that they represent freedom; the socialists, anti-freedom. In fact, the private corporate control of investment, which every conservative party defends, is the key to the subversion of the democratic will by an unelected, elite minority. Secondly, recent discussions within a number of socialist parties — one thinks of the Swedish, the Dutch, the French and the Austrian parties — have focused upon the limits of reform *within* a welfare state still dominated by corporate power. And thirdly, recent experience — I have in mind developments in the United States, Chile, France and the Third World — have once again underlined how central the investment process is.

Indeed, I propose to begin with those recent developments, since they will give my generalizations flesh and blood. Having done that, I will turn to the challenge to socialist policy suggested by my analysis. I do not, of course, think for a minute that there is some miraculous programme for the instant democratization of investment and a consequent flowering of human freedom. Indeed, one of my major points will be the difficulty in accomplishing the socialist task as I define it. Yet the definition must be made; the first practical steps must be taken, even if with a healthy respect for the complexities of what must be done.

I propose to outline four different cases which should illustrate how central the control of the investment process is in capitalist society. First, let me turn to my own country, the United States of North America.

In the summer of 1976 Jimmy Carter made a dramatic speech when he accepted the Democratic Party nomination. He pledged himself to sweeping tax reform, full employment and a national health programme. These points, and the generally populist tone of his talk, were extremely important in mobilizing the unions, the blacks and other minorities, and the middle class liberals. Once he was the Democratic candidate, the Democratic Socialist Organizing Committee, which functions as the socialist centre within the liberal wing of the Democratic Party, supported him vigorously. We, like the rest of the Democratic Left, took him at his word.

Since Carter's election, there is no question that he has been superior to Gerald Ford. But then Ford had been the most sincerely conservative American President since Calvin Coolidge and it was all but inevitable that any Democrat would be to his left. Still, Carter has generated nearly a million new public service jobs where Ford was on record as in favour of cutting back the existing programme. That was, and is, a significant gain.

It is not, however, the hallmark of the Carter Administration. On tax policy, the President has all but abandoned any commitment to radical, or even moderate, reform. Indeed, his main tax innovation, an extension of the investment tax credit for corporations which will cost $2.5 billion a year in foregone revenue, is reactionary. As *Business Week*, a magazine which speaks for the sophisticated corporate view, remarked, Carter's tax credit will do more harm to the depressed areas of the Northeast and Middle West — by subsidizing the flight of companies — than all of his ameliorative measures taken together can offset. And in terms of full employment policy, the President has moved steadily toward adopting the Ford Administration position that unconscionable rates of joblessness must be tolerated in order to fight inflation.

Why did the President do these things? Why did his Council of Economic Advisers agree with Ford's Council on the necessity of at least 5% unemployment? There are many facets to the answer but the one upon which I want to focus is that, given the control of the investment process by the corporations, the victorious President had to adopt, more or less, the programme he had just defeated. It is not that he is dishonest or hypocritical. Rather, it is that no President, not even the most radical, can run American society as it is presently structured without "business confidence", because business confidence is the key to investment in the private sector which dominates the economy. Therefore, no matter what the campaign promises were — no matter what programme the people voted for — the corporate elite which controls the investment process has more political power than the electorate. This tiny minority of the voters wins the election no matter who wins the election.

American business has become more and more conscious of this fact. Indeed, it has made the investment function its central argument for a privileged position in American society. The New York Stock Exchange, former Secretary of the Treasury William Simon, the Chase Manhattan Bank, the legions of lesser known ideologists, have been hammering away at the theme throughout the 1970s. Mr. Simon, for instance, testified before the Senate Finance Committee in 1975 that there would be a $2.5 *trillion* (2,500,000,000,000 US dollars) shortfall of capital in the coming period. In order to get this astounding figure, the Secretary of the Treasury projected his future prices in inflated dollars but used pre-inflated dollars in computing his past trends. A very moderate economist, Martin Feldstein of Harvard,

estimated that this one device allowed him to exaggerate the problem by a factor of ten!

No matter that careful examination of the corporate case on capital formation shows that it is spurious. This has been *the* rationalization in favour of special privileges for capital during the decade. The business community does not propose to raise the missing capital on its own; it wants the Government to provide it by reducing the tax rate on unearned income and thereby inducing more people to invest. The intricacies of this fallacious argument are of little interest here. What is important is that, for all the flaws of the corporate economics, their politics are right on target, i.e. a Democratic President is, in some measure, held in ransom by private capital because private capital is in charge of the critical social decision of how much to invest, where, in what, and in what way.

And that defines a fundamental limit of the welfare state — and not simply of the American welfare state, which came later than any other and is more pinch-penny than any other. Liberal — or socialist — political leaders must defer to those who are the non-elected wielders of private corporate power in the mixed economy. Social needs can be met, but only on the condition that they do not intrude upon that private sector. There is thus an undemocratic limit on the democratic will.

At this point, just a word about high theory and then I will proceed to a second specific case. It is, of course, true that in any dynamic economy there must be a surplus, over and above what is consumed, in order to provide for depreciation, new investment and for the care of the children, the aged and the severely handicapped who are not in the labour market. It is *not* true, as mainstream economists like Paul Samuelson pretend, that this surplus must take the form of a profit which is appropriated and invested by private individuals or their managers. That is the way the surplus has been allocated in, but only in, the capitalist era. Precisely what is at issue in my analysis is the necessity of moving to another way of making those decisions: a democratic way.

US Role in Chile

My second case in point is part of a modern tragedy, the overthrow of the Allende Government in Chile. It is well known that my country played a shameless part in that terrible event. What I want to stress here is how both American policy, and many of the internal problems of *Unidad Popular,* illustrate the centrality of private control of the investment process. In the Bay of Pigs fiasco, Washington learned the profound limits upon direct military intervention against a Third World regime with mass support — or, more precisely, learned how American military action, direct or indirect, created even more popular support for Fidel.

Therefore the attack on Chile was much more sophisticated. It included an embargo on capital flows, including those from the World Bank; American corporations refusing to buy copper even when they needed it; the pressing of outrageous claims for compensation in the case of nationalized industries. All of these measures were designed to interrupt and sabotage the investment process within Chile. Meanwhile, the Allende Government had internal problems of its own which would have existed even if the United States were not acting as it did. A very interesting analysis of this situation was recently made by Serge Christophe Kolm in *La Transition Socialiste.*

The Allende coalition, Kolm argues, increased wages, particularly for the poorest paid, and held down prices. In the first period of the *Unidad Popular,* this resulted in gains for almost everyone in the society. But higher wages and fixed prices led to falling profits, which meant declining investment and a certain interior stagnation. The private sector also borrowed to meet its cash needs, which was a factor promoting inflation. And since it was impossible to restructure Chilean industry overnight to respond to the new shape of demand, there was an increase in imports to satisfy that demand, which eventually weakened Chile's position in world financial markets. In other words, the American attack from without found vulnerabilities within the Chilean structure.

Eventually, Kolm suggests, "the private fixers of market prices" were able to circumvent government restrictions in one way or another. So, "the buying power of wages, or at least of a good part of them, fell below the level attained prior to the Government taking power". At each point in the analysis, it should be carefully noted, it was private control of investment (including finance and prices) which undercut the democratic strength of the *Unidad Popular* — a strength which was clearly on the rise in the first period of Allende's rule.

The third recent case making the same point about the crucial character of control of the investment process comes from France. In the year or so prior to the 1978 elections, and particularly in the period before the Communist betrayal of the *Union de la Gauche,* there was a marked flight of capital. But then that was nothing new in France, since there had been a similar phenomenon when Léon Blum became Premier in the 1930s. (Across the Channel, in Great Britain, Harold Wilson had experienced a similar trend in 1965 and 1966.) The flight of capital was accompanied by a run on the franc as "smart money" discounted for a possible victory of the Left. So it was that on the very eve of the election, the corporate Right was itself helping to create the very instability which it claimed would result from the triumph of the Left. And that, along with the suicidal tactics of the PCF, was a factor in distorting the will of the French people.

Finally, one can see the enormous impact of the private control of investment within the world market as it impinges on the Third World. The basic rhythms of the global economy are of course determined by the Western capitalist nations. The Communist countries are not very important in this regard (although the rich among them do benefit from world market prices set by the multinationals). As UNCTAD has documented time and again the gigantic post-World War II boom — "one of the most successful periods of modern economic history" the American Council of Advisors declared in 1978 — saw the terms of trade for the poor countries deteriorate. With the exception of two brief periods, during the Korean War and in the early seventies, the prices of non-oil Third World exports declined relative to those for their imports from the capitalist economies. And whenever there was a downturn in the capitalist West, that was almost immediately reflected in Africa, Asia and Latin America — and even among the OPEC powers.

This is to say that the cycles of the private investment process in Europe, North America and Japan determine, in considerable measure, the ups and downs of Third World economic development. The majority of human kind is thus economically *dependent* upon the Western (and Japanese) minority which is itself dependent upon the corporate minority within. And these macro-trends are then reinforced by the specific policies of multinationals which use computers to engage in "international money management" and thereby exacerbate the perverse flows of international financial resources. And the multinationals also pick and choose where in the "global factory" they will make their investments and when, as in recent years, they will move back toward their home base when they sense political danger.

So the private control of the investment process subverts democracy in the United States, Chile and France and helps thwart balanced development in the Third World as a whole. If freedom is to be expanded in the modern world — freedom from the minority control of private investment — socialists must find a way to transform these inherently anti-social — and anti-freedom — structures. Nationally, they set up limits upon welfare state policy, making it impossible for elected governments to fulfill their democratic mandate because the defeated representatives of the corporations dominate the decisive economic process. Internationally, these structures are an essential element in the exploitation of the vast majority of human kind.

Possible Socialist Policies

It is easier to make the negative analysis which I have just outlined than to propose ways to change the reality it describes. At the very outset of talking about possible socialist policies I want to insist upon this chastening point. It is impossible to transfer all basic investment decisions from private hands to public at one stroke. The intricate web of the capitalist economy has developed over hundreds of years; and there is an entire social stratum of corporate "cadres" in place. If one simply moved control of investment from the hundred or so corporations which dominate the various national economies and invested it in the state, that could lead to chaos and would certainly create a bureaucratic monster. The advocacy of such counter-productive policies can be safely left to the unreconstructed Stalinists of the West whose refusal to see the totalitarian bureaucracy in the Soviet Union has made them utterly insensitive to the dangers of over-centralization in their own countries.

Secondly, even if it were somehow possible to achieve an instantaneous non-bureaucratic centralization of power in the hands of the state, who would run the enterprises? It is not a simple task to replace a corporate, profit-maximizing managerial cadre with the elected representatives of the workers and the people in a system of planned self-management. That is the work of an entire historic period, not of a day or a year. There is, then, no point in simplifying the enormous problems we socialists face.

Indeed, permit me to generalize: in every country the transition to democratic socialism will have to find ways to create effective social enterprises in an economy where private corporate power will still exist and retain the ability to corrupt and subvert public or cooperative or self-managed property. We are all familiar with nationalized enterprises which have internalized the ethics and the economic calculus of the private sector. Our task, then, is to find those reforms which can begin to transform structures rather than, as in the case of the contemporary welfare state, operating within their undemocratic limits.*

What follows is, obviously, not an exhaustive list of structural reforms. I have simply taken a few examples in order to illustrate the *kinds* of policies which can begin to challenge private corporate domination of the investment process.

Let me begin in a way that might seem odd: with reference to a book by one of the leading intellectual corporate spokesmen in the United States. In 1976 Peter Drucker published *The Unseen Revolution,* subtitled "How Pension Fund Socialism Came to the United States". Drucker's analysis focuses upon the fact that private sector pension funds in the United States own 25 per cent of equity capital, with public employees, teachers and the self-employed accounting for another 10%. He estimates that by 1985 the pension funds will own 50% to 60% of equity capital and 40% of debt capital. In Britain, a survey by *The Economist* indicates a similar trend: the Post Office Pension Fund will, if current patterns prevail, have assets equal to the total present capitalized value of the London stock market by 1989 (sixty billion pounds).

Politically and sociologically, Drucker's analysis is naive. He equates a worker's share in a pension fund, which is usually completely managed by business, as "ownership". This is claimed even though American law forbids a worker from drawing out his money before retirement, borrowing against it, assigning or selling it. This "ownership", then, is about as unrealistic as that of a Soviet worker in a nationalized industry. And yet, Drucker is on to an important basic fact of late 20th century life.

In late capitalism, the private investor is of declining importance. Investment funds are raised from internal corporate sources or from gigantic institutional investors (insurance companies, pension funds). And the pension component, as Drucker stresses, is becoming more and more important. This derives from two developments. On the one hand, the demographics of these societies in recent years has seen a "zero population growth" trend. On the other hand, the labour and socialist movements (and in the United States, the liberals) have made significant gains in winning retirement rights, both public and private.

There are, to be sure, enormous differences within this last generalization. The Swedish social programmes are funded and the monies are used for mortgages and local outlays; the American public system is not funded. In Britain, it is common for private pension plans to invest in the industry which they cover; in America that is against the law. In some instances there is provision for worker representation on the pension funds, though one of the most important American cases in point, a Teamster Union fund, has been wracked by scandal and corruption.

On the whole, these enormous sums of money are invested according to capitalist priorities. This is obviously true in the United States where the pioneer pension system — the General Motors Plan developed by Charles Wilson in 1950 — carefully stipulated that it would be a management prerogative to invest the workers' retirement funds. In many cases, this is done by outside agencies, although there is a recent trend for companies to manage their own employees' pension monies. In some cases, the corporate values of these investments are particularly blatant: the Morgan Guaranty pension department "bet" on a Left defeat in the 1978 French legislative elections and made speculative gains when the Bourse responded joyously to the failure of the *Union de la Gauche* in March.

But even where the capitalist use of "workers" funds is not so blatant, corporate values tend to prevail. The London *Economist* in talking of plans in which there is labour representation chortled that "militant trade unionists become ardent capitalists at investment committee meetings." Yet this need not be so, particularly if socialists were to see pension funds, both private and public, as a critical source of money for capital formation within the framework of a democratic plan. One of the chief reasons for the failures — or perhaps better put, the very limited successes — of "indicative" planning is that the units which must be persuaded to follow the plan are sophisticated, profit-maximizing corporations. But if decentralized and worker-controlled pension systems were a critical part of this process, that might well make indicative planning into a tool of social, and socialist policy.

Two recent developments within European socialism reinforce this point. In Sweden, the Meidner Plan of the LO is being modified and adapted by the Social Democratic Party. It provides, in effect, for democratically-controlled workers' mutual funds whose assets would come from a corporate tax paid in stock rather than money. If this extraordinarily imaginative and innovative scheme works, might it not be applied to the pension funds as well? And secondly, the French Socialists have, of course, been enthusiastic about the possibilities of a *socialisme auto-gestionnaire.* As some of the French have already pointed out, one of the present corporate functions which the worker-managers would take over would be decisions about retained profits. Again, this principle could be extended to pension funds.

I do not raise this point in order to discuss pension funds per se. Rather, in keeping with the previous analysis, I am trying to suggest a way for both encouraging and democratizing capital formation. In *Das Kapital,* Marx had — somewhat too simplistically, but still with great foresight —noted that the "joint stock company" was a way of socializing capitalism, of assembling many small capitals in a gigantic enterprise which, more often than not, was managed by non-owners. Now, this process has taken a quantum leap. Capitalists are socializing workers' pension funds for their own uses. Why can't the workers democratize those funds and put them to social uses?

There is a problem here, one which must be squarely faced. There is, as the Yugoslavian experience has abundantly demonstrated, a very real tendency toward collective, as well as individual, egotism. That is, a worker-controlled plant in a highly productive industry and a favoured area can try to hoard its gains. So my proposals only make sense within the framework of a national economic and social plan which, giving the greatest possible independence to cooperatives and democratic collectivities, nevertheless asserts the national (and hopefully the international) interest.

In this regard, it seems to me that one of the most important socialist proposals is to make decision-making in *all* areas of the economy — in nationalized industry as well as in private corporations, in state planning bodies and in cooperatives — as *transparent* as possible. Indeed, I suspect that one of the most critical corporate functions which should be socialized even if the corporation itself remains in private hands is the "managerial prerogative" to make decisions about plant location, pricing, new technology, etc., in secret. If the people have full information, that will not guarantee that they will always make the wisest decisions — but it will make wise decisions, socially responsible decisions, possible.

Finally, I must add to this very brief list at least a mention of the need for international economic planning. Socialist Nobel laureates like Jan Tinbergen and Wassily Leontiev have already made great steps in this direction and the programme of the Seventh Special Session of the United Nations General Assembly offers some practical and immediate priorities. But even as socialists seek to break the power of capital within national economies, as concentrated in the control of the investment process, they must extend these principles to the world itself.

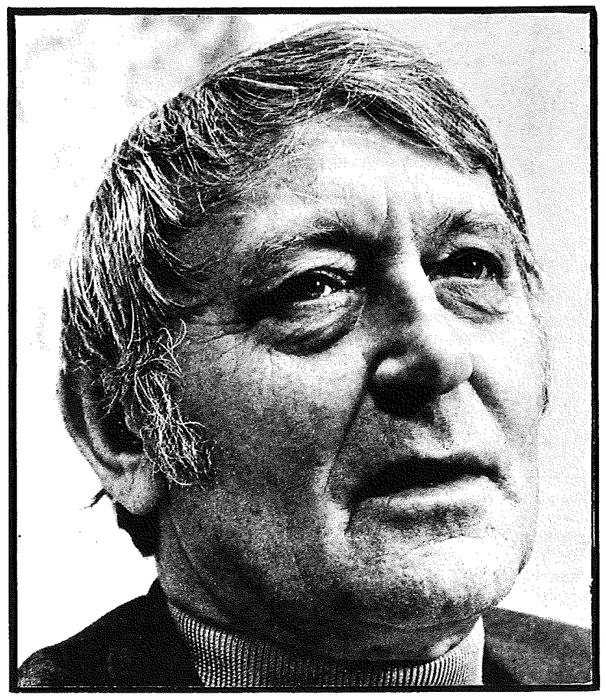
A last word. It is much easier to define what is wrong with the present, corporate-dominated system than to detail socialist alternatives to it. It is abundantly clear that the control of the investment process by private managers is a key — perhaps *the* key to the anti-social limits upon the welfare state. In saying this, we socialists obviously have no easy, rapid answer which will miraculously dismantle a structure of intricacy and power which has been four centuries in the making. But we do, I believe, have a clear direction, a point of departure, and it leads us beyond our greatest accomplishment, the humanization of capitalism through the successful struggle for the welfare state, toward a new, distant but precise goal: the democratization of basic economic decisions.

In a world in which capitalists and their political allies are busy collectivizing economic life — but doing it in an authoritarian, secret way — democratic socialists propose a democratic communitarianism as an alternative to the corporate collectism which conservatives practice, even if shamefacedly. Those conservatives represent the limits upon human freedom; we socialists offer the possibility of a flowering of human freedom.

**I have obviously borrowed the notion of "structural reform" from André Gorz, most notably his Réforme et Révolution. It should be noted, however, that I use the idea in ways in which Gorz does not and of which, I suspect, he would disapprove.*

TEN YEARS AFTER THE PRAGUE SPRING

Zdenek Hejzlar



What significance does the 1968 Prague Spring have a decade after its brutal suppression by Soviet-led tanks? The writer of the following article, himself a leading advocate of reform communism during the Prague Spring and since 1969 a member of the "Listy Group" of the Czechoslovak opposition in exile, argues below that "socialism with a human face" remains both a symbol and a sign post for Eastern Europe. Zdenek Hejzlar now lives in Sweden and is attached to the Institute of International Affairs in Stockholm; his book "ReformKommunismus. Zur Geschichte der Kommunistischen Partei der Tschechoslowakei" was published in 1976.

In March earlier this year Olof Palme, speaking in the Swedish Riksdag, said: "At this time of the year we are reminded of another spring exactly ten years ago. 1968 in Czechoslovakia saw the beginning of an unique process — an entire people rose joyously up against an oppressive Stalinist dictatorship to win back democracy and introduce into their country a form of socialism with a human face. The Prague Spring was crushed: but its philosophy lives on, perhaps more vigorously than ever, both in Czechoslovakia and in the rest of Europe. We can see it in the steady stream of messages reaching us from the communist countries telling us how the human yearning for the simple freedoms of everyday cannot be put down but will always grow up anew. We can see it in the communist parties of Western Europe and their continual struggle against antiquated, anti-democratic doctrines, a struggle carried out with varying success and varying seriousness. For us, these tendencies in East and West are an expression of the strength and attraction of democratic socialism."

Ten years is a long time in our uneasy century. Other dramatic events of major importance have taken place in many other parts of the world and have shaped the faces of nations and those who must live with them. We quickly forget even those things which whipped up storms and caused widespread indignation.

However, the attention focussed this year on the Czechoslovakia of a decade ago bears witness to the fact that the Prague Spring and its violent destruction have not been forgotten at all. So far they have not been sentenced to share the same fate as other attempts towards emancipation in the Soviet-dominated Eastern bloc — the popular uprising in East Germany in 1953, for instance, the Polish "October" or the Hungarian revolt of 1956, which, although they indeed take their place in the history of the global struggle for freedom, have all for various reasons lost that quality which made them the open wounds of our time. But the character of what happened in Czechoslovakia in 1968 has remained the same, and both Moscow and the current regime in Prague have for ten years failed in their efforts to make us forget it. Time will not heal every wound; and a review of everything of any significance written or spoken concerning the tenth anniversary of the crushing of the Prague Spring soon reveals why this truth is particularly applicable to Czechoslovakia.

Hope Aroused

The developments which took place inside Czechoslovakia in the sixties aroused, above all, great hope that even the system of Soviet communism could, through a policy of reform, rid itself of its most blatant undemocratic shortcomings and that even in the era of the great powers there was still a possibility that the lesser Eastern European states, which up to that point had been no more than satellites of the Soviet Union, would in time be given greater scope for the development of their own sovereignty — without upsetting the mechanism of the sensitive system of international politics. Typically enough, this latter aspect was emphasized by Henry Kissinger, that "master of balancing the Great Powers" the one against the other, during his talks with Jiri Hajek, then Czech Foreign Minister, in April 1968. In these talks, Kissinger warned the reform communists of Czechoslovakia against going further than the system would allow, since the continued division of the world into spheres of influence was the basis of international stability; and although perhaps not for precisely the same reasons or based on the same ideals and conceptions, foreign policy as practised during the Prague Spring took this analysis as its starting point and complied with the demands arising from it.

As for the former aspect, the developments on the Czechoslovakian home front did not afford the sole example up to that date of a relatively well-integrated and non-catastrophic transition from a bureaucratic dictatorship of the Soviet communist type to a more democratic system adapted to the curious conditions prevailing within the community of Eastern Europe. Indeed, this transition took as its starting point the particular requirements and characteristics of the community, including Marxist ideology and the special position of the communists themselves.

Democratic socialists found with pleasure that the Czech model of reform communism both in its ideology and by its actions confirmed what they themselves had always maintained — no socialism without democracy — while inside Czechoslovakia itself the truth of Hjalmar Branting's words, spoken as far back as 1919, was borne out: "That a relapse of this kind could occur in Russia, where for decades social democracy has been forced to continue an underground existence, is understandable. But although this is understandable and may be satisfactorily explained, their type of primitive socialism should under no circumstances be considered fit for export and readily applicable to countries where freer methods are employed and where democracy is the traditional way ahead."

Exit Route from Dictatorship

However, it was clear that the social upheaval which had taken place under Soviet communism had already had far-reaching effects. A society had been created differing in structure from the capitalist world and with other forms of social tensions and conflicts. The most acute of these is a result of the clash between power and the sense of frustration arising from its abuse. In abolishing the capitalist structure of ownership by an all-embracing policy of nationalization, the communists believed they had settled this conflict once and for all. In fact, however, by setting up a bureaucratic dictatorship, which they styled the "dictatorship of the proletariat" and in which the power of the state over the citizen was infinite, they were simply reproducing this conflict in another guise.

Most people living in this society have a yearning for national sovereignty, social reforms and increased freedom, but in no major social groups is there a desire for violent new upheavals. People have had enough of violence; they want reforms, not explosions. It is not only the imposing arsenal of the instruments of dictatorship at the disposal of the Soviet communist regimes which prevents outbursts of discontent and lends society a certain stability, but also the new structure of social relationships which makes it easier to suppress or neutralize differences as they arise. In addition, these regimes have at their command effective methods of preventing the growth and development of political powers able directly to threaten the hegemony of the communist party. The democratization of Eastern Europe — an absolute necessity for a socialist renaissance — will have to take place under quite different social, economic, and political conditions than those which saw the growth of democracy in the West. From this point of view the people of Eastern Europe are confronted with a task which, historically speaking, is absolutely new. There is nothing to fall back on, nor is there any model to be seen in the past or in the structure of other societies upon which they can model themselves: in spite of the persistence of various romantic illusions, they are aware that the trickiest part of the whole process of democratization is the opening move, since the prevailing social system includes not one single mechanism making such a move possible. It is true that the reform communists of Czechoslovakia never had enough time to prove the scope and efficiency of their own particular methods of democratic reform, but they did succeed in their opening gambit — and the experiment failed not as a result of inherent difficulties but because its progress was violently checked by outside forces.

The process of democratization which took place in Czechoslovakia in the sixties has rightly been defined as a rebirth, an acceleration of the "de-Stalinization" process initiated by Nikita Kruschev after the death of Stalin but which had fallen into a period of stagnation under Leonid Brezhnev. It was thought that the success of reform commonism in Czechoslovakia would speed up the introduction of democracy in other Eastern European countries and in the Soviet Union as well, and Rudolf Bahro, the East German Marxist and social critic, later confirmed this point of view: "For the first time since the Russian Revolution forces striving towards the reorganization of this non-capitalist society took their place in history. Inside Czechoslovakia it became evident that a progressive social bloc opposed to the absolute dominance of the political apparatus existed within the framework of "real existing" socialism, while even among the communists themselves it was clear that a majority were expecting democratic changes to be made".

Impulse of Eurocommunism

The hope that democratic reforms would be brought about in Eastern Europe and that the ties between the member states of the "Socialist Community" would become less violent was of extreme importance, in particular to the communist parties of Western Europe. During the course of the sixties, these gradually became convinced that the isolated position of communists in domestic politics could not be improved unless they dissociated themselves from the anti-democratic aspects of Soviet communism and from the creation of satellites in Eastern Europe. In order to be able to play a part inside rather than outside the political systems of their respective countries, and thus at last approach the level where decisions are made, it was essential that they became nationally and democratically credible, a quality they had lost by their role, played decade after decade, as the extended hand of Moscow. Liberation from Moscow hegemony and rejection of the anti-democratic nature of the Soviet communism was — and still is — a painful but essential step towards this goal, and Czechoslovakia in the sixties saw the beginning of a process which seemed to allow the desired disassociation without inevitably resulting in a complete break. Instead, the communists of Western Europe hoped that they would be able to identify themselves with a form of democratically oriented communism practised in Eastern Europe, particularly in Czechoslovakia. Santiago Carrillo was justified in finishing his book "Eurocommunism and the State" with the statement: "It is to be deplored that our comrades in Czechoslovakia were unable to develop their experience further."

It was not the Prague Spring that produced Eurocommunism. Rather, this grew up out of the bitter experience of the creative elements of the Western communists themselves, although the Prague Spring and Czech reform communism was a decisive impulse in deciding the shape it was to take. In a variety of different societies and under differing social conditions the process to be tackled by both reform communists and Eurocommunists was identical — liberation from Leninist-Stalinist dogmas and from the anti-democratic, anti-humanist heritage of Soviet communism. In Eastern Europe this process was brought to a halt in 1968, while in the West it is still going on. The end has not yet been reached, important contradictions still exist and considerable problems remain to be solved in the question of the relationship between the Eurocommunists and the socialist parties, but Olof Palme had good reasons for holding: "I find it hard to understand those who consider the ideological re-evaluation of the communist parties with nothing but suspicion. It must surely be counted an advantage that these parties have begun to advocate democratic rights and fundamental freedom, that they are prepared to defend

these and that they have begun to realize the power of reform in changing society."

International Consequences

As for Eastern Europe, the armed intervention of Soviet forces put an end to hope — and not only this, but the nations of Europe were reminded of the undiminished Great Power brutality of the Soviet Union just as the first serious steps were about to be taken towards a system of security and cooperation across the boundaries of the military blocs. They were reminded that détente is so far a guarantee of sovereignty only for the strong, at least in the sphere of influence dominated by the Soviet Union. The Great Powers' threat to exercise their right to provide "protection and assistance" to the weak, even against their will, as expressed in the "Brezhnev Doctrine" which originated in the need to justify the intervention, has become a source of the deepest mistrust of Soviet foreign policy. Willy Brandt may indeed be right in continually emphasizing that peace is the most important condition for the future of Europe, and is therefore a primary consideration, but there was still the hope that political détente would even so be able to make some contribution to a fairer relationship between weak and strong.

What is more, Soviet talk of "international brotherly help in the name of socialism" provided Western opponents of socialism with a dangerous argument: "Who can guarantee that any change in a socialist direction, even if democratic, will not lead to a situation which Moscow may define as a 'threat to socialism' and therefore, acting on the request of some insignificant group or even, as in the case of Czechoslovakia, without even this, proffer 'brotherly help' in the form of military intervention and oppression?" This prospect was made no less frightening when Leonid Brezhnev — quite shamelessly and without once mentioning what had happened in Czechoslovakia — signed the following principle of the 1975 Declaration of Helsinki: "The signatory states, regardless of their mutual relationship, are to refrain from intervention, direct or indirect, individually or collectively, in internal and external affairs falling within the jurisdiction of another signatory state." The contradiction between the declared policy of the Soviet Union and the one actually practised was so alarming that no Western left-wing body can today afford to appear to be in the least "pro-Soviet", since this would threaten its national credibility. Statements issued in connection with the tenth anniversary of the Prague Spring bear witness to the fact that they are fully aware of this.

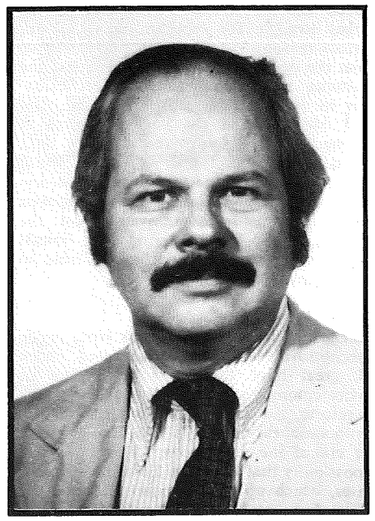
Open Wounds of Soviet Communism

All this means that "the Czechoslovakia of ten years ago" is still with us, both in international relationships and on the domestic political scene of Western Europe. But what happened in this country — and what is happening today — bears no current conditions in the Soviet bloc.

Under the pseudonym "normalization", conditions inside raped Czechoslovakia soon became abnormal even by comparison with the other countries of the Soviet bloc. The Husak regime, supported by the Soviet military presence, has so far succeeded in maintaining a standard of living which is one of the highest in Eastern Europe and this is what was most celebrated in Prague as resulting from "brotherly assistance from the Soviet Union" ten years ago. However, the terms acceptable standard of living and social security are admitted only by those who allow themselves to be guided by the principle *"Maul halten und weiter dienen"*. Tens of thousands of those who actively supported the process of reform in the sixties, and all those who dare to open their mouths in the slightest criticism of the present regime, particularly the civil rights group centring on Charter 77, are treated as second-class citizens — watched over by the police, forbidden to carry on their trade or profession, persecuted and discriminated. Their humiliation is necessary to serve as a warning example to others. The result is widespread political apathy and disgust at every form of active involvement.

But the defeat of reform communism in Czechoslovakia was felt further than the Czech borders. Soviet surveillance of all other countries inside the bloc was stepped up, and in each one of these countries the effects of the shock caused by the intervention in Czechoslovakia are still apparent. With the possible exception of Poland in recent years, those in power take care not to arouse suspicion in Moscow and are hence afraid of tackling the burning issues of the day in an independent fashion. In order to "justify" the violence used against Czechoslovakia, at least for propaganda purposes, Moscow was forced to create an ideological and police doctrine of "the creeping counter-revolution", which, in spirit, saw in every thought of change of the established order a manifestation of "revisionism and right-wing opportunism"; this leads to prohibitions and taboos. The reformism of Eastern Europe in the sixties has suffered the same fate as democratic ideology in the member-states of the anti-liberal Holy Alliance of 160 years ago. The result is general stagnation. Reform communism is considered to be the worst form of heresy and, since any thought of reform is branded as a criminal act, it has temporarily lost its scope for development. This has meant that even some oppositional social critics in the Eastern bloc have completely lost faith in the belief that the system of Soviet communism can be democratized by reform, and as no realistic solution can be found not only cold-blooded analyses but also despair and empty romanticization are heard from this quarter.

However, the situation may change rapidly once more. The mood in Czechoslovakia at the beginning of the sixties was hardly better than it is today. The Brezhnev era, along with its creator, is gradually nearing its end. It is a period marked by the preservation of the established order of things, even if this necessitates the use of methods such as those used in Czechoslovakia ten years ago. At the same time all the problems and tensions in the established order were preserved as well; and no society of today — not even the Soviet model — cannot withstand these for long. The ground is indeed prepared for basic changes. It will be difficult to initiate them, far more difficult than in the sixties, but when the time comes it will be seen that the "socialism with a human face" advocated during the Prague Spring by the reform communists has not been forgotten in Eastern Europe at all — not only as a symbol but also as a signpost.



HUMAN RIGHTS IN U.S. INDUSTRY

Franklin Wallick

The editor of US United Auto Workers' Newsletter "UAW WASHINGTON REPORT", looks at the occupational safety and health situation in the United States and sees the trade union movement as the only countervailing force able to exert sufficient pressure to remedy some disturbing abuses.

The US occupational safety and health picture among 100 million working men and women contains aspects of both hope and despair. It also tells how a profit-hungry capitalistic system uses working people as pawns in a life and death struggle at the workplace.

Great expectations were seen with the passage of the Occupational Safety and Health Act of 1970. The law contained very specific promises to improve working conditions. It was passed during a wave of environmental awareness and at a time of widespread worker discontent. The law, however, was administered with enormous clumsiness, and many workers were soon disillusioned by its high-sounding rhetoric. Most worker complaints were about health hazards, but the inspections were made by safety-oriented officials — forcing workers to wear hardhats and earmuffs when they were suffocating from bad ventilation and dying from deadly chemicals. Still, many workers thought passage of a federal law would provide a remedy for the noise, grime, and death-dealing chemicals at their jobs. It didn't. The law even became embroiled in the Watergate scandal. Documents were discovered which showed how political appointees were holding up health standards for textile workers. These illegal acts were then used for political payoffs to raise huge campaign funds among textile industrialists during the infamous 1972 Nixon campaign.

It has been conservatively estimated that 100,000 workers die each year from occupationally-caused illnesses. All estimates are extrapolated from smaller scientific studies of death rates from occupational exposures. Nobody knows the precise mortality figure. Recently, Dr Nick Ashford of the Massachusetts Institute for Technology, has suggested that many heart attacks are occupationally-linked, raising estimates far beyond the 100,000 figure. [1] Assuming a workyear of 2,000 hours, at least 400 deaths occur every working day, or 5 deaths an hour.

We are dealing, realistically, with the tip of a vast, uncharted iceberg. No worldwide estimate of occupationally-caused deaths among industrial societies has ever been attempted — but it should be. The science of bio-statistics has been reasonably perfected and a world industrial death-rate ought to be established on a nation-by-nation basis. Certainly, today we enjoy a network of honest industrial health scientists who could make an objective estimate of the workplace carnage. The misleading and easy-to-count industrial accident figures are much lesser figures and fail to give the true dimensions of the worker on-the-job death-rate.

During the US debate in 1968 and 1969 on the worker health and safety law, business lobbyists argued on the basis of figures then in use that workers were safer on their jobs than at home or on the public highway. Today, we know that occupational disease epidemics are sweeping industrial communities. The victims include those who live downwind from factories, plus those who work inside. The latest, damaging evidence of this is the cancer mortality atlas published by the US National Cancer Institute, which shows dangerously high rates of cancer in those countries which have the highest rate of industrial and petro-chemical activity. [2]

The struggle for a better work environment goes on. A relentless movement continues among US trade unions to grapple with the ever-widening dimensions of this problem. Nearly every major labour organization in the US has today one or more fulltime experts attempting to grapple with the delaying tactics of their cynical counterparts in management. Some unions have got further than sparring matches with employers. These unions, and the United Auto Workers is foremost among them, have trained hundreds of paraprofessionals at the shopfloor to handle and settle health and safety problems on a daily basis. And, of course, strikes increasingly are a part of the rising awareness that workers need not fatally risk their lives to earn a living.

One of the best things to happen within the past year was the selection of Dr Eula Bingham to head the government agency charged with protecting worker health and safety. Dr Bingham is an incorruptible and highly-esteemed occupational health scientist who became Assistant Secretary of Occupational Health and Safety in the Carter Administration. She enjoys the full confidence of trade unionists who were instrumental in pressing for her appointment. She and Ray Marshall, Carter's Secretary of Labour, intervened in an historic showdown at the White House to demand that a cotton dust standard for 300,000 textile workers not put the burden on workers by forcing them to wear unsafe respirators, exposing them to deadly levels of cotton dust.

While industry and unions were challenging the cotton dust standard, Dr Bingham and Secretary Marshall succeeded in overruling a crassly business-oriented procedure at the highest level of US government, and the textile industry is now required to spend millions of dollars in proper ventilation of textile mills.

Legalistic Approach

The legalistic approach to setting workplace health standards, of which cotton dust is only one recent example, is maddeningly slow. Each new standard — and eventually there will be many thousands — is challenged in court by industry. Thus whatever frail victories occur inside the Carter Administration are often neutralized by the repeated court challenges of profit-motivated employer groups. Delays only kill and injure more workers. Thus, direct negotiations between industry and those unions with power and sophistication are often the best road. Immediate changes can be made in face-to-face bargaining that protect workers from death, illness, and injury at their job. But only 26% of the US workforce is unionized.

Much of the current debate in the US revolves around putting price-tags on health standards for workers. Most of the costs discussed are grossly and deliberately exaggerated by industry sources. They are used over and over as if they were gospel truths. A brilliant young economist, Ruth Ruttenberg, has consistently demolished the claims of industry that health standards will financially bankrupt industry. [3] She serves as a consultant to the AFL-CIO and her work has been a significant if sometimes unheralded milestone in the matching of wits with the power and influence of corporate America.

Politicians in the United States use the industry figures (for both occupational and environmental health standards) as ways to dismantle regulations so painstakingly built up in recent years. Thus a congressional victory — with glorious promises of better times for workers and community health — can be hamstrung or neutralized during the long, often poorly reported rule-making process that follows.

Dr Ruttenberg, as an example, has shown that the vinyl chloride industry — where a cluster of occupational cancers alert government scientists to certain deaths at the workplace — exaggerated their claims of costs by a factor of 200 times. Industry had predicted wholesale bankruptcy, stating a tougher vinyl chloride standard would cost between $65 to $80 billion. Industry never questioned the health data; they only questioned the cost and what it would mean to their profit margins. The actual cost came to $350 million — or 200 times less than the predicted cost. Workers were considered expendable. The same was true of a coke oven standard for workers.

Conservatives in the US Congress have found the Occupational Safety and Health Act a convenient target for attacks against government interference. The notorious, right-wing John Birch Society launched an elaborate campaign to require health inspectors to have a search warrant to enter

the premises of an employer. The US Supreme Court (now dominated by Nixon appointees) did finally rule that warrants could be required if an employer balked at a government inspection. The ultimate outcome, therefore, was mixed, as court decisions often are.

But right-wingers continue to ridicule and downplay the law. The basic law, in this case, is one of the few which specifically affects the well-being of workers at their jobs. A well-orchestrated campaign by the US Chamber of Commerce and the John Birch Society goes on. It is helped along by scholarly-looking critiques from the equally malicious and right-wing American Enterprise Institute (which has former US President Gerald Ford on a lush retainer and serves as a right-wing, anti-labour think-tank, supported by tax-exempt contributions by the nation's largest corporations). The dedicated people running the Occupational Safety and Health Administration today are besieged by non-stop attacks from the political right.

Recently by a 51 to 42 vote in the US Senate (very typical of the congressional harassment which never stops) some 10 million workers in small businesses were exempted from coverage of the law. Many of the worst worker health problems occur in small shops. Kepone, a highly dangerous, disabling-to-humans pesticide, burst into national attention during a nationally televised programme. Such public outcries are rare, and in this particular case the nervous tremours and other symptoms of the diseased workers were made to order for a television exposé. Virtually all hazardous jobs which cause cancer cause disease 20 to 30 years after the workers have unknowingly been exposed.

The public tends to sympathize with these occupational episodes when they break into the spotlight. But not all occupational diseases are so dramatic; most of them are not. Meanwhile business organizations hammer away against the worker health and safety law to loosen up government regulation. Sadly few public officials stand up and defend the law, or defend the workers who are the victims. These skirmishes tell much of the public mood in the US. Trade unions are increasingly under fire. Contempt for workers whose lives are threatened is commonplace. Workers themselves are often bewildered by the complexity of numerous chemicals which endanger their lives, and trade unions still have difficulty in coming to grips with these death-dealing facts of industrial life.

One part of the US law has been used much too sparingly. Timidity on the part of an easily intimidated section of the US Government must take the blame for this failure. A more aggressive, passionately pro-worker government would behave differently. The law gives government researchers "the right of entry" to the workplace, enabling them to find out behind the walls of private employers what is killing and injuring workers. This "right" has rarely been used to get more data.

An amazing report, nonetheless, has been made by the National Institute for Occupational Safety and Health, the agency with the above-mentioned "right of entry". Based on expert shopfloor observations (but with no attempt made to halt dangerous or hazardous operations when they were spotted) the National Institute did find that 9 out of 10 American workers are unprotected from exposure to one or more common chemical or physical hazards.[4] This astonishing information did not rate any blazing headlines in the American press. Indeed, the Institute which dredged up this frightening data is way down the bureaucratic ladder in the US Department of Health Education and Welfare, and has been plagued with in-house bungling in staffing and funding.

The Institute's findings are often grist for sensational comment in the press and other media, but the Institute's place in the government sun has never been assured — and this is symptomatic of an institutional unwillingness to put worker health high on a list of US priorities.

Another grisly footnote to what occurs in the US is the growing export of hazardous operations to Third World countries by American-based multinational corporations. Rather than face the music at home — where growing worker militancy is forcing some companies gradually to clean up their jobs — these huge, billion dollar corporations will ship up and leave US shores, ready to kill workers in other unsuspecting nations. Dr Barry Castleman has documented this flight of hazardous chemicals, and several progressive members of Congress are taking up this issue.[5]

Disputed Standards

One alarming fact which angers industrial health experts in many parts of the world, especially those in sensitive pro-worker governments, is the undeserved and unquestioned prestige given the health standards issued and circulated by the American Conference of Governmental Industrial Hygienists. Despite the name, this group is a highly politicized body which comes down on the side of industry and against workers in most instances. A Swedish socialist and scientist, Dr Tord Kjellstrom, now based in New Zealand, has prepared a refutation of the ACGIH standards which he notes are of questionable reliability. Dr Kjellstrom's work should be given wide circulation to offset the years of false information and harm done by the ACGIH.

A heavily-financed cancer lobby — the American Industrial Health Council — supported by corporate funds of the wealthiest chemical companies in the US has been formed to oppose a strict carcinogenic worker health policy. Most of its money has gone for hiring expensive lawyers to refute scientific arguments during hearings in 1978. It has not been able to overturn new rules, but it has bought time for industry — which means more workers will die, and this stalling tactic may be the chief objective of this corporate lobby.

With the US workforce now composed of 40 percent women, the special hazards to reproduction caused by certain chemical hazards have reached a crisis stage. The reproductive hazards are true of working men, not only women, since male sperm damage can affect an offspring or cause sterility.

Andrea Hricko's book, *Working for Your Life: A Woman's Guide to Job Health Hazards,* reports that kepone, lead, anesthetic gases, and vinyl chloride have damaged male reproductive cells that have caused sterility, birth defects, and miscarriages.[6] Some women, to hold their jobs, have undergone sterilization — more to avoid lawsuits at the insistence of employers than to protect female health. The US Department of Labour now officially estimates that 4.8 million working women are exposed to hazards, and 3.7 million babies were born in 1970 to working women, many of whom are exposed to reproductive hazards.

Increasingly, lawsuits are a last resort to force industry to protect workers — but it is a difficult path to pursue. Employers who have knowledge of health hazards and take no steps to warn or protect workers of those hazards are finding the US courts will hold them liable for heavy damages. An asbestos worker who died recently in Virginia had $750,000 awarded to his widow — and this has become a pattern elsewhere in the USA.[7] Many employers, however, prefer to go to court than to clean up the substances which cause death or disease. Other employers wish to put the financial burden for health compensation on the government and thus avoid any assumption of corporate blame.

There are some flickers of hope in the US situation. The slowly emerging group of local and regional worker health organizations is one of those hopes. Many of the best trade union experts have been recruited from their ranks, among them Dan McLeod and Frank Mirer of the UAW, and Mary Win O'Brien and Mike Wright of the Steelworkers Union.

Workers have always had strong feelings about hazardous working conditions, even those which are invisible. But the proliferating spread of hazards into every aspect of industrial life has made many workers understandably fatalistic. That idea appears to be changing. Many scientists and government officials with a passion for worker health on-the-job are helping to de-mystify the technicalities of the work environment.

A militant and alert trade union movement allied with new breed occupational health specialists promises to usher in a great era of social well-being for millions of working people in all lands. The lessons of the US experience will help hasten that day.

Footnotes

1 *The Magnitude of the Occupational Health Problem,* Nicholas Ashford, Chicago, 1976.

2 *Atlas of Cancer Mortality for US Counties,* 1950-1969, Mason McKay, Hoover, Blot and Fraumeni, Department of Health Education Publication (NIH) 75-780, 1975.

3 Ruth Ruttenberg, 1978, "Needed: A Respected Methodology for Cost-Benefit Analysis of Proposed Occupational Health Standards and the Implementation of Such a Methodology through Research In Such a Way That It Will Be Both Credible and of Practical Use to Decision Makers", AFL-CIO, Washington, D.C.

4 "Workers Whiff Too Many Dangers on the Job," UAW Washington Report, May 29, 1978.

5 *Study of Export of Hazardous Industries,* Dr. Barry Castleman, Congressional Record, June 29, 1978.

6 *Working for Your Life: A Woman's Guide to Job Health Hazards,* Andrea Hricko, University of California — Berkeley, 1976.

7 "Producer of Asbestos Found Guilty in Lawsuit, Must Pay $750,000" Washington Post, June 17, 1978.

CUBANS IN AFRICA

Basil Davidson

The author looks at the Cuban military presence in Africa and draws a distinction between Cuba's involvement in Angola and her participation in the Ethiopian regime's "colonial" wars in the Ogaden and Eritrea.

"Neutrality towards the existing and coming struggles in southern Africa is impossible. Between the exploiters and the exploited there is no middle ground. Action must be taken to end a system which is both evil in itself and a threat to peace."

Socialist International, Geneva, November 1977

All analyses are written from an "angle of approach", even if our opponents in the conservative and liberal camp often prefer to claim that their own are not; and I quote from the above statement of the Socialist International merely to define the angle from which this particular article is written. For our purposes here, however, an historian will wish somewhat to extend the scope and application of this statement.

To any socialist prepared to consider the history of the past hundred years or so, it will be evident that the majority of African societies — of African nations or nation-states, if you prefer — are in the midst of a necessarily long and difficult transition from the structures and cultures of pre-colonial times to other structures and cultures, different in kind though no less indigenously African, that will be capable of yielding progress within the wide world of which Africa has now become an integral and increasingly significant part.

Intensely complex and often contradictory in its appearances, this transition is not only necessarily long and difficult, but just as necessarily concerned with "struggle against the exploiters" — whether these be colonial, "neo-colonial", or rather the "hang-over" from pre-colonial forms of exploitation. This is why all the best thinkers in modern Africa have pledged their loyalty to one or other version of a socialist programme. Any attempt to "build development" in Africa today — as distinct merely from "building growth": generally, in practice, a very different thing — has to mean a programme capable of drawing the wide masses of Africa's populations into an active participation in the whole socio-economic process. But this means a programme *capable of extending democracy.* In Africa today, whether or not this may also be true elsewhere (as personally we think it is), this in turn means a programme designed to move society towards an ethos and objectives altogether different from those of capitalism in any of its forms. Essentially, therefore, the rest of Africa is today involved in precisely the same "struggle against the exploiters" as are the peoples still subjected to racist rule in the southern-most region.

I make these obvious points as, I hope, a useful prelude to considering "the case of the Cubans". Their appearance on the scene has been generally described by anti-socialists — and, it must be said, by some socialists who have evidently failed to reflect upon the history of all this — as a kind of gratuitous "intervention" in which the Africans themselves have played no initiating or controlling part. Now this description or interpretation — however one may judge the actual *results* of Cuba's presence, a matter on which there may be (as we shall see) a number of opinions — is without any historical basis. The Cubans are in Africa because Africans (as well as themselves) have wished them to be there, and because Africans have invited them to be there. And the circumstances of their being in Africa show that their presence has been and is invariably concerned with this complex continental transition to which I have referred above. A transition, we may add, that Africans generally see as revolution. A revolution, that is, against the structures and cultures inherited from the pre-colonial period as well as against those taken over from the time of colonialist supremacy. Africans concerned with forwarding this transition revolution — this long and difficult effort to extend democracy, to lay foundations for an eventual socialism — have asked Cubans to help them. Whatever other and extraneous factors may also be in play, this is the heart of the matter. This is the necessary starting-point in considering their "case".

Let us look at the record. It begins, for our purposes here, with Che Guevara in the middle 1960s. Before embarking on his Bolivian enterprise, Guevara spent some time in Africa, chiefly in central-western Africa, trying to give logistical aid to a number of nascent revolutionary movements. Not knowing Cuba myself, I will not comment on Cuban motivations, but all the evidence that we have, or so it seems to me, points to a central conclusion. Those who have made the Cuban revolution, and certainly Fidel Castro, were convinced from an early date that their island, so greatly populated in the past by men and women of African origin, had something valuable to give back to the Africa from which so many of Cuba's ancestors had come. Those ancestors had come as slaves, abused, deprived, mere helots; now their free descendants, the children of their revolution, would offer back the fruits of their freedom. Nothing else, it seems to me, can explain the extraordinary and undoubtedly sincere "sense of mission" that has marked the Cuban enterprises in Africa since 1966.

Che had little success. But he and others made friends, found comrades, cemented connexions. From that early period date the links which Cuba made with the movements of national liberation in the Portuguese colonies — especially the PAIGC in Guinea-Bissau and the MPLA in Angola; and two of the MPLA's earliest columns of fighting men, respectively in November 1966 and June 1967, were given Cuban names (Cienfuegos and Camy) and were equipped partly with Cuban aid. In later years the Cubans supplied doctors to these movements, a small number of weapons-training teams (mostly for instruction in the use of mortars and light cannon), and places in their schools both for African children and adults: asking, of course, payment for none of this. And it was out of this connexion that there arose the contingency plan, probably foreseen in some detail early in 1975, by which Cuba would come to the aid of the MPLA, this time with fighting men, if the MPLA should need such aid once the Republic of Angola was proclaimed.

The rest of that story, as yet, is scarcely history, and none of the confidential records are available for study. Yet two facts about that Cuban aid are, I think, established beyond reasonable doubt. The first fact is

Basil Davidson, a long-time member of the British Labour Party, is a writer and historian of Africa and is currently a fellow of the Centre of West African Studies at the University of Birmingham. His latest book is "Africa in Modern History: The Search for a New Society" (Allen Lane, London).

that Cuban fighting aid (as distinct from a small number of training personnel) was asked for by the new government of the Angolan Republic only *after* that Republic was in fact proclaimed: that is, on November 11, 1975. For days before that, in truth, the position had been one of touch-and-go, with the South African army thrusting rapidly northward up the Angolan coast from Namibia, and with another army of invasion (mounted largely by President Mobutu of Zaïre, together with Portuguese and other European mercenaries) already fighting on the outskirts of Luanda itself. My own information, which I think is accurate, is that the central committee of the MPLA in Luanda seriously considered advancing the date of independence so as to be able to call on the Cubans, but decided against this. As it was, the Cuban fighting force could begin to go into action only in the last part of November, when the South Africans were already near to striking distance of the capital. The second fact, likewise relevant to the whole issue, is that the Cuban government decided to answer the Angolan appeal on its own responsibility, and without pressure or even assistance from Moscow. The inner story of that, no doubt, remains to be told. What is singularly convincing, meanwhile, is that the Cubans had to find their own air (and then sea) transport out of their own resources; and that they found, in practice, that this was extremely difficult to do.

Having got to Angola at "a few minutes before midnight", as was certainly the case, the Cubans were still in time to stop and then repel the South African invasion together with such units of their own army as the MPLA still had available, and were able to make a similar and decisive contribution in repelling the invasion from Zaïre. In doing this, they saved the infant Republic not only from South African domination; they also saved it from the practically limitless chaos and bloodshed which must have followed destruction of the MPLA. That destruction must have opened for Angola a truly fearful prospect of strife and ruin. In the case of Angola, accordingly, the Cuban role in 1975-76 has to be judged as a major contribution to peace and progress, not only in Angola but also *vis-à-vis* the whole of southern Africa.

And afterwards, there need be no doubt that the Cubans remain in Angola at the continued request of the Angolan Government. They remain militarily in order to ensure Angola's protection from further invasions or incursions until the Angolan army becomes fully capable of assuming that responsibility. This may be soon, especially now that external dangers are reduced by Mobutu's having at last changed (or been obliged to change) his attitude of active hostility. Further, the Cubans remain non-militarily in order to help the new Republic to overcome its drastic problems in the field of public health, and in the making good of war damage (such as the repair of bridges etc.) These too must be judged as valuable contributions to stability and social welfare. At what cost to Angola? Politically or ideologically, I think at no cost. The MPLA is pledged to a more or less complete restructuring of Angolan society over the years ahead, and its record shows (as well as the character of its leading personalities) that it means to do this by independent policies independently arrived at. We know nothing of any payment arrangements, though it would not be surprising if Cuba were to receive some preferential treatment in the matter of Angolan oil supplies. From my own observations in Angola during 1977, it appears certain that the real "defence burden" on the Angolan state comes in no sense from Cuban presence (indeed, rather than the contrary), but from the need to build up and maintain Angolan military forces, given the dangers of future invasion, that have to be far larger than is economically desirable.

Horn of Africa

And the Cubans in the Horn of Africa? Once again, we may note, they were invited by a sovereign government of Ethiopia, that of Mengistu Hailé Mariam, in order to assist in maintaining the integrity of frontiers. Moreover, this was fully in line with the policy of the Organization of African Unity, as stated in its Cairo resolution of 1964 to the effect that the frontiers taken over from colonial times must be accepted. And once again — see all of Castro's relevant declarations, notably before and after his visit to the Horn in early 1977 — the Cubans responded to this invitation as a means of making another contribution to the post-colonial restructuring of African society, in this case in the region of the Horn.

But the similarities with the Angolan situation go no further. The rest is very different. The frontiers to be defended in the case of Ethiopia were not those of a colony but of an empire: an empire founded by the Emperor Menelik at the end of the 19th century but repeatedly reinforced and even enlarged by his successor, Haile Selassie. The OAU resolution of 1964 could have no progressive application here. Much less could the imperial frontiers of Ethiopia be defended as any way of advancing any kind of revolution in Ethiopia. On the contrary, that revolution could be consummated only by solving at least the most severe aspects of the "national question" inside those frontiers. At least the Somalis of the Ogaden and Haud, and the Eritreans in Eritrea, must be given the right of self-determination. This need not necessarily mean secession: but if it were not to mean secession then it would have to mean a confederation of juridical equals with Amharic Ethiopia. If all three regions then came under like-minded regimes of revolutionary innovation, the operation need not be all that difficult. And it need be all the less difficult because, in 1975 and certainly far into 1976, both the Government of Somalia (with its great influence on Somali opinion in the Ogaden and Haud) and the Eritrean liberation movements were much disposed in favour of some form of confederal outcome.

Nothing like that has happened. Sucessive governments in Addis Ababa have remained stiffly opposed to any real concessions to major minority nationalities, and have had since late in 1976 the decisive support of the Soviet Union in maintaining (or attempting to maintain) Ethiopia's imperial frontiers. To this support Cuba has added its own direct military involvement in the Ogaden, and has contributed at least indirectly to the efforts of the Addis Ababa government to destroy the Eritrean liberation movements. That government has meanwhile become an outright military dictatorship dependent for its survival on this Soviet-Cuban support, and has recklessly embarked its armies on continued efforts to destroy, in Ogaden and Eritrea, those very persons and movements who, in other circumstances, could have become its friends and allies. None of this can conceivably be seen as any kind of contribution to peace and progress. On the contrary, more and deeper trouble has been provoked and prepared for the future.

Great Power Rivalry?

No doubt Moscow sees its policy in terms of great power rivalry. But even on those terms its policy appears astonishingly blind to African realities. In this respect, as will increasingly be seen, Moscow simply repeats the miscalculations of Nixon-Kissinger in respect of Angola. In terms of great power rivalry, those miscalculations ensured that Washington should exclude itself from all effective presence or direct influence in Angola at a phase of decisive change. That presumably pleased Moscow; but today the tables are largely turned. Moscow has not yet excluded itself from all effective presence or direct influence in the Horn, but has already gone a long way in that direction and may yet find that it will be obliged to go further. So much for the argument in terms of great power rivalry. As for the argument in terms of supporting progressive change, in so far as this is taken seriously it falls to the ground: if only because no regime which embarks on colonial wars, as that of Addis Ababa has done in the Ogaden and Eritrea, can be taken seriously as a regime of the future rather than of the past.

I make these fairly obvious points merely because they help to illuminate the drama of the Cuban case in the Horn. Things being as they manifestly now are, for their part the Cubans appear to have realised that they have got themselves into a situation which is bound to conflict both with their claim to non-alignment (see the discussions recently in Belgrade), and with their claim, so well justified in Angola, to be helping those causes and movements in the Horn that stand for socialist innovation. Having got into that situation it is evidently difficult to get out of it again: all the same, from Havana's point of view the arguments for getting out, rather than for staying in, are evidently growing stronger month by month.

Prophecies would be vain, for we are not yet near the end of this long and painful episode, and much will still turn on very subjective factors: not least among these, indeed, being the character and temperament of Mengistu Hailé Mariam and those upon whom he most relies. They have temporarily won a colonial war in Ogaden, but guerrilla fighting still continues there. They have retaken Eritrean towns, but the principal Eritrean liberation movement is clearly far from defeated. How long can Addis keep up the pressure? What, if the pressure fails, can Addis do next? One may speculate upon the many "surprises" that lie ahead; but short of speculation one conclusion at least seems already clear. That is that forward-looking Africans draw from this whole episode an ever-strengthening conviction, as it seems to me, that the interests of African progress can be served only in the measure that Africans become able to resolve their own problems, for themselves and among themselves, within a framework of closely guarded non-alignment.

SOCIAL DEMOCRACY AND EUROCOMMUNISM

Stuart Holland

The following analysis of "Eurocommunist economics" was prepared for the Western Europe Sub-Committee of the International Committee of the National Executive Committee of the British Labour Party.

There is an open question on the extent to which one can reason in terms of a homogeneous, undifferentiated "Eurocommunism". French Communist Party (PCF) spokesmen either do not use the term, or query its meaning; the Italian Communist Party (PCI) almost invariably qualifies its use by defensive phraseology such as "so-called Eurocommunism". The Spanish Communist Party (PCE) is virtually the only Communist Party in Western Europe which uses the term extensively, but even Santiago Carrillo uses it in inverted commas in the title of his book *"Eurocommunism" and the State*, and frequently draws attention to the fact that the political and economic strategy of the Japanese Communist Party is similar in essentials to that of some Communist parties in Western Europe.'[1]

In practice, there is little doubt that the widespread use of the term "Eurocommunism" represents something both real and new in the policies of the Western European Communist parties. But if one is to avoid the vulgar simplism of many commentators, it is important to stress both what is common and what is different about the policies themselves. This is particularly the case with the "economic" policies of the main parties concerned, in France, Italy and Spain. Superficially, Eurocommunist economics, to the extent that the term is meaningful, might appear to be of secondary importance relative to issues such as political pluralism, the question of democracy versus dictatorship of the proletariat, or international relations. But in practice, as one might indeed expect from parties whose traditional Marxist methodology has meant a primary emphasis on economic factors relative to social institutions and political power, there is a strong case for claiming that the change in general policies now indentified as Eurocommunism stems in crucial respects both from changes in analysis of the *role* of economics in the arena of social and political institutions, and from changes in the *nature* of modern capitalism and the modern capitalist state.

New Dimensions

There are several key respects in which the new economic analysis and policies of Western European Communist parties relate to their political strategies. They include: (i) a lesser degree of economic determinism on the question of the long-term viability of capitalism, and a linked admission of the importance of ideas, values and the political process in relation to economic factors: (ii) new policies for class alliance in an anti-monopoly programme, including not only the industrial working class and peasantry, but also broad sections of the middle class; (iii) new dimensions to analysis of the role of the modern capitalist state, the monopoly trend of post-war capitalism and changed class relationships; (iv) a greater admission, in key cases, of the importance of international policies at the European level as a means of countervailing the trend to multinational capital.

These new dimensions of analysis and policy themselves relate to two main themes which run through contemporary Eurocommunist economics. These are the theory of *hegemony* pioneered between the wars in the PCI by Antonio Gramsci, and the theory of *State monopoly capitalism* which emerged in the main Western European Communist parties in the 1960's. Both the theory of hegemony and the state monopoly capitalism thesis represent different assumptions about the nature of democratic politics, class and state power from that found in classic Leninism. Similarly, the reduced economic determinism and changed assumptions on the viability of international capitalism imply policies which transcend the strategy of "socialism in one country" in the classic Stalinist model.

While these common themes are found with different variants between Western Communist parties, they nonetheless fundamentally challenge the case that "Eurocommunism" is simply the old wolf in new clothing.

For instance, there is an argument emanating from Washington and not unrelated to the pretensions of Henry Kissinger, that Eurocommunism is a threat to democratic freedoms in Western Europe and the Western Alliance; that NATO cannot survive with either Communist member governments or Communists in key positions in government; that no Communist party of Western Europe has specifically criticised the foreign policy of Moscow or the Soviet Union; and that we should not trust what Eurocommunists say they will do in government, because no Communist party has ever preserved a plural democratic process.

Kissinger's intellectual pyrotechnics, and the complexity of his verbal ramblings in public interview, should not disguise a basic crudity in his analysis of what might be called Eurocommunist economics. In a television interview in Britain in January 1978 — with a serious crisis for the Andreotti government, and the elections in France only two months away — he stated that Communists believe in historical inevitability. Therefore one should suspect their readiness to see themselves voted out of power.

Yet if one considers the economic theory and policy of some of the key Communist parties in Western Europe, it is difficult to see the determinism in economic thinking which Kissinger presumes. Some of the old-style Communist orthodoxies were falsely fatalistic in attitude. They argued that capitalism was prone to inherent crisis which could not be offset by a capitalist state, and that increasing instability in the economic base of the capitalist system would be reflected in increasing crisis in their political and institutional super-structure. These orthodoxies, especially between the wars, saw the crisis of capitalism less as a matter

of government mis-management, than of unmanageability. In particular, it was widely held that capitalism tended to chronic over-production and under-consumption, and that it was armaments production for and during the Second World War, rather than domestic economic management, which reduced the massive unemployment of the 1930s.

Changing Economic Analysis

In the circumstances of the time, such fatalism was highly plausible, and gained widespread acceptance — as aspects of Marxist analysis of crisis — in not only Communist parties but also the wider parties of the Left. Keynesianism, in the sense of government intervention to manage the level of spending and employment, was largely ignored or discounted. But in the postwar period, just as there was a change in the rationale and extent of state intervention, based partly on Keynes and partly on the necessity of intervention for reconstruction, so there was a change in the economic philosophies of leading Communist parties. This change was fast in Italy where, as shown later, even the reconstruction programme of the Communist Party was pronouncedly Keynesian in character. It was slower and different in France.

But there was change, and a new admission of the capacity of the modern capitalist state to intervene in and affect the behaviour of capitalist economies. With such a change, there was a rejection of the implicit fatalism of previous mainstream orthodoxies on both the nature of capitalist crisis and the nature of the modern capitalist state. In turn, this implied a change in the political strategy of such Communist parties. The assumption that the economic collapse of capitalism would create the conditions for mobilisation of the working class for its overthrow, gave way to increased concern to expose the class basis of capitalist state intervention, and to demonstrate the incapacity of the capitalist state to fulfil the real economic and social needs of the working class.

Such a change in analysis and strategy left fatalism and determinism — of the kind which Henry Kissinger still assumes to be characteristic of the continental Communist parties — to the Trotskyist ultra-Left. Implicity, it swung the Communist parties of France and Italy away from insurrectionist policies of violent revolution towards democratic policies of persuasion and the building of majority support for change itself. It was related to wider political considerations of the consensus support for capitalist society by broad sections of the working class, and an erosion of perceived class divisions with increasing social stratification between white and blue collar workers.

In one sense, the change could be perceived in classic Marxist terms. The so-called economic miracles in Italy and France clearly challenged the thesis of miseration of the working class and the inherent crisis tendencies within capitalism. Thereby, they appeared to challenge the claim that the capitalist state was impotent to change the crisis tendencies within the system, and caused a review and revision of the role of the state in modern capitalist development. Ironically, the feasibility of modern capitalist planning as a means of ensuring growth and employment, rather than sustaining and promoting its base in profit and accumulation, has been very much called into question by the nature of the crisis which emerged in the early 1970s. But the change in Communist analysis of the relations between economics, politics and the state could also be seen in other terms, relating to the previous lessons and experience — of theory and practice — on the Communist left in countries such as Italy and France.

For instance, it now is widely acknowledged that the Gramscian concept of hegemony, and Gramsci's strategy for a politics of "position" versus the Leninist strategy of "manoeuvre", was a reaction to the failure of classic Leninist policies for seizure of power and "smashing" the state apparatus with an establishment of dictatorship of the proletariat. Basically, Gramsci argued in his "Prison Notebooks" that the conditions for classic Leninist strategy had worked in Russia, where the Tsarist State had frustrated even a bourgeois political revolution, and where the State was indeed repressive towards the working class. But in the more mature Western democracies, where the bourgeois revolution in many cases was already centuries old, and where liberal democracies — even under bourgeois dominance — had delivered reforms which were meaningful and credible to the working class — the viability of the capitalist state was based less on repression than on consent within the fabric of civil society itself, however frustrated the expectations which it provoked. Such analysis implied that strategies for transition to socialism based, as in Leninism, on fleet-footed manoeuvres to seize and "smash" state power could fail through lack of a sufficient "position" of basic support within civil society.

The Gramscian concept of intellectual, ethical and political leadership, and the building of a hegemonic dominance in the sense of widely based support for the transformation of capitalism, meant a different and more positive approach to questions of economic policy under capitalism than the more negative polarisation of the revolutionary party versus capitalism in the Leninist model. [2] The influence of Gramsci on the Italian Communist Party was filtered through the echelons of the Party hierarchy, both in the literal smuggling of the "Notebooks" themselves from prison, and in their selective publication after the war. Nonetheless, the impact on PCI thinking on both political and economic policy was notable in the immediate postwar period not only in the participation of the party in a government of reconstruction, but also through the adoption of policies which were predominantly Keynesian in their stress on the role of public spending. In other words, it seems clear that the new potential of Keynesian intervention — with qualifications — was clear to a party which was already open to new ideas on the role of the state in capitalist society, and the degree of support which even limited state intervention could command.

Different Strategies

In two key respects — the analysis of hegemony and a broad class alliance, and the critique of state monopoly capitalism — the economic strategies of the main Eurocommunist parties, to varying degrees, show both differences from classic communism, and significant differences between themselves. Added to this, there are crucial differences in the weight given to extension of the public sector and public ownership and control of the means of production. In Italy, since the eighth party congress the PCI has given no priority to the extension of public ownership as such, while admitting that circumstances may force it to bring under state control sections of the private sector which are in profits crisis. This partly reflects the considerable size and range of the existing public sector in industry, banking and insurance in Italy. But it has implications for the role envisaged by the PCI for a "mixed" economy. In practice, for a long time, there has been relatively little to distinguish the PCI's position on the *scale* of public ownership from leading opinion and policy formers in either the Italian Socialist Party or the Christian Democratic Party. The contrast with Stalinist collectivisation of all industry and finance, with the bulk of agriculture, is very clear.

Besides, there are important differences between the PCI and PCE on the one hand and the PCF on the other on the question of membership of the European Economic Community. Broadly speaking, the PCI recognised in the 1960s that the economic consequences of Italian membership of the Community had not been entirely negative. While Italy suffered a major balance of payments deficit within five years of joining the EEC, it recovered quickly enough — partly through a combination of Keynesian demand management and a disguised devaluation. Moreover, especially under advocacy and pressure from the Amendola group within the party, and in view of the limited success of centre-left policies for national planning in the late 1960s, the view gained ground in the PCI that effective countervailance of monopoly and multinational capital would be reinforced by joint international action at the EEC level. This was apart from the fact that, at the political level, the PCI was concerned even before the overthrow of Allende in Chile with the question of legitimising and ensuring its maintenance of office against both a neo-fascist reaction in Italy, and foreign intervention from abroad. Thus, while not uncritical of the EEC or its major policies — including the common agricultural policy, which it wants to see revised — the PCI by the 1970s had come to endorse, positively, the proposals for a federal or supranational EEC.

PCI Hegemony in Question

Granted the ferment which accompanied the shaping of the Common Programme of the left in France in the late sixties and early seventies, and the importance given to a specific programme by the PCE, it is notable that in Italy the PCI did not publish a medium-term programme until 1977. In part, this reflected its much more pragmatic approach to economic policy. Its policies on key questions such as the role of public enterprise and development of the South were not formulated behind closed doors "at the top" in terms of past ideological orthodoxies, and then transmitted to cadres below. The party's research bureau CESPE (Centre for Studies on Political Economy) sponsored wide-ranging debates on general economic issues, with a broad-based political composition, including socialist economist and politicians, whose discussions were then published in full. [3] The process was notably open and transparent. It illustrated both the Gramscian strategy of seeking to build a consensus support wider than the party itself, and the parallel political tactic of inviting "independent" economists — such as the Keynesian Luigi Spaventa — to stand with Communist support for parliamentary elections.

...there is a strong case for claiming that the change in general policies now identified as Eurocommunism stems in crucial respects both from changes in analysis of the *role* of economics in the arena of social and political institutions, and from changes in the *nature* of modern capitalism and the modern capitalist state.

The programme when published was some 120 pages in length, and designed for mass readership. [4] Its opening sentence argued that "the need to shape a project for the transformation of Italian society stems from the fact of contradictions and disproportions blocking a new development of the country and threatening democratic institutions". "Contradictions" and "disproportions" could be considered sound enough Marxist methodology, but relevant enough to the crisis of stagnant investment, spare capacity, under-consumption, rampant inflation and chronic regional imbalance in the country as a whole. The Gramscian element in the strategy of the programme was implicit rather than explicit. It argued that the fundamental objective of any expansion and reconversion of the productive base of the economy itself implied a profound change in the social relations of production reducing vast areas of parasitic privilege and unproductive labour. But it stressed that "such an objective only can be realised through consensus and thus by new ideals and aims, with development at the same time of economic reforms and as intellectual and moral reforms of society. [5]

Reform of the "social relations of production" was conceived in terms of extension of both "workers' participation and control" within enterprises, and the establishment of democratic control over the economic policy of the country as a whole, with de-centralisation and increased accountability for economic policy shaping and implementation within a "plural democratic and political "structure". [6] In both respects, the argument is notably different from the Soviet model. There is no reference to "soviets" as such, or an attempt to maintain that the aims of soviets are direct democracy and "workers" control. The mechanisms of direct democracy within enterprises are not spelled out, but the statement of the programme includes the term "control" rather than the weaker "participation" alone. "Democratic centralism", of the kind which in practice has masked undemocratic centralisation of both economic and political control in the Soviet Union, is contradicted implicitly by the commitment to decentralisation of decision making in a democratic economy policy.

Economic Planning

The case for economic planning in the programme is related both to the weakness of a market mechanism in ensuring a "spontaneous" adjustment of factors of production, and on its failure to ensure the new economic needs "which are being expressed both by the democratic growth of society and by the changes which have occurred in the international division of labour". In other words, the case on the failure of the market is not simply a matter of lost consumer sovereignty, but of its inability to ensure the legitimate economic and social aspirations of working people. This is partly through oligarchic decision making in monopoly enterprise and through the erosion of the effectiveness of national trades unions in an era of multinational capital. However, the planning mechanisms recommended do not envisage the suppression of the market on Soviet lines. The programme specifies that planning should ensure, through the selection of priorities and the establishment of balance, "an increased capacity for innovation and competitiveness in the Italian economy . . . and especially guarantee the development of small firms and cooperatives". [7]

The programme stresses that the role of planning is central to the aspirations for a change in Italian society: "in practice it is only on the basis of democratic planning that it will be possible to positively resolve the contradictions . . . between the claims of various social strata and the demands for a restoration of the economic and financial situation, with a recovery of productive investment". There are three key conditions: the planning of public expenditure, the restraint of inflation, and the creation of employment focussed on the problem region of the South. The main aim is employment creation, which will need not just macro-economic planning but direct intervention at the level of the firm and industry. On the other hand, the programme specifies that discretionary subsidies and intervention in favour of particular firms has been abused under the clientalism of previous governments. The discretion should be aimed mainly at the fiscal base of different social groups and a fairer incidence of taxation, as the base for covering more expenditure through tax and avoiding an inflationary expansion of the economy. [8]

The regional focus of planning, according to the programme, should be linked to a reform of local finance (where a plethora of special agencies for regional development have led to conflicting spheres of responsibility and influence, without an effective channelling of resources). In general, the programme argues that state intervention agencies (*enti di gestione*) should be reformed "with provision for the break-up of such agencies and the passing of their respective functions to the regions and local authorities". [9] Again there is a clear enough contrast with the centralisation of the Soviet model. Rather than tightening central state control, the PCI commits itself through the programme to what in practice amounts to the regional devolution of decision-making. Again, the policy reflects national circumstances and specific political experience. It is an extrapolation from the success of the PCI in regional government in areas such as Emiglia Romagna — Bologna rather than Moscow is the model.

While the programme argues that state *intervention agencies* in general should be broken up and re-grouped, it does not specify the same for the state *holding companies* which play so important a part in the contemporary Italian economy. The previous Party proposals to re-group the State Holdings in single industry or sector groups, subject directly to ministerial control rather than with para-statal status, no longer rank a mention. This is very much consistent with the major CESPE debate on the role of public enterprise, and an implicit admission that there are some advantages from a flexible multi-sectoral means of public enterprise intervention. [10] Also, in striking contrast with the whole PCF polemic on the extension of public enterprise in the debate on the Common Programme in France, there is no reference to the need to extend the existing public sector through ownership.

However, the programme gives considerable weight to the question of who should *control* state-owned enterprise. In other words, it by no means assumes that the transfer of ownership of the means of production to the state will thereby assure control and effective accountability, and insists that mechanisms must be established

for ensuring "transparency" in the operation of public enterprise. It also specifies that the personnel of state and para-statal organisations should be more mobile both between industries and regions of the country. [11] The attitudes and the commitments reflect the specific features of the role of state enterprise in Italy, with the establishment of some scarcely accountable super-groups in which the state has either outright or major participation, operating in practice as 'states within the state'. The most notorious was ENI under Mattei. While this criticism was qualified by recognition of his considerable state entrepreneurship, the secrecy of groups such as ENI and Montedison — in particular — had become notorious, especially under the patronage of entrepeneurs whose economic performance scarcely matched their independent pretensions.

Contrast with Soviet Orthodoxy

While such specific factors were important, it nonetheless is clear that the acceptance of the general operating framework of state, holding companies, and emphasis on the question of their control, contrasts once more with older Soviet-based orthodoxies. There is no assumption that the class basis of society as much is transformed through a change in ownership from private hands to the state. In other words, if class in capitalist society is based upon both ownership and control of the means of production, distribution and exchange, the PCI has learned the lesson that state ownership alone, without democratisation and accountability in control, changes only the form rather than substance of capitalist relations of production — i.e. the class relations between capital and labour. This, of course, is also an important element in the state monopoly capitalism thesis as developed by the French Communists. But with the greater emphasis on industrial democracy and workers' control *within* enterprises, and the admission that changes in ownership mean only a change from a capitalist to a state capitalist mode of production and control, the PCI is as much expressing its own experience in the specific Italian case as any general formulation about the new forms of state monopoly capitalism.

Neither this factor, nor the lack of commitment to major extension of public ownership, implies a half-heartedness in the PCI about the role of public enterprise itself in economic planning. The programme both stresses that new planning must be planning for change in the economy and society, and that the state holding companies will have "a determinant role in the realisation of the new industrial policy and the sectoral programme needed by the country." [12] It also underlines that the state sector not only should spearhead the recovery of investment in industry, but also concern itself more with medium and small sized enterprise and agriculture. This reflects less the lack of special state holding companies for small and medium sized enterprise — of which there are several — than two further factors: (i) the realisation that large-scale job creation will depend on more extensive intervention at the level of the small firm, and (ii) the neo-Gramscian importance of gaining and maintaining the support of broad sections of the self-employed petty bourgeoisie, as well as that of workers in non-unionised small and medium enterprise.

Thus there is no priority for bigness as such in the PCI state enteprise policy. More significantly, the programme specifies that State enterprise should be expected to intervene "especially in those investment projects where risk is particularly high or the rate of return particularly delayed" as well as where external economies or indirect benefits to the economy are concerned. Such a case for intervention differs little from the rationale for extended state enterprise made by probably the foremost economist in public service in postwar in Italy — Pasquale Saraceno. Saraceno has been a committed planner and advocate of public enterprise in the Italian economy, basically drafting both the ten-year Vanoni Programme of 1955 and writing the key report which preceded five-year planning in the mid and late 1960s. [13] But he also was a committed Christian Democrat.

Put simply, one could say that the parallel or overlap between the arguments of the PCI and Saraceno illustrates the arbitrariness of left-right political divisions in contemporary Italy. [14] Certainly, some catholics who in other countries might find themselves in social democratic or socialist parties have been found to be active Christian Democratic proponents of major state intervention in the economy. Also, while the PCI is committed to a "profound change in the use of resources" in the economy, and by this declares itself to mean a change in the social relations of production between capital and labour, there is little evidence that a Christian Democratic exponent of major state intervention and planning such as Saraceno means the same. [15] However, it is easy enough to understand why — seen from the ultra-Left in the Manifesto and Proletarian Unity groups — the PCI's strategy for public enterprise and planning looks reformist.

Change of Reformism

PCI activists at local and national level are sensitive to the charge of reformism. It is claimed not only by the ultra-left, but also by socialists in Italy and abroad, that in practice there is little to distinguish their Gramscian strategy of establishing consensus support from social democratic policies for governing by and as far as one can gain consent for specific policies. The British Labour Party and the French Socialists — despite the differences between the PCF and the French Socialists on nationalisation of subsidiaries — are committed to a greater extension of public ownership than the PCI. In addition, both the Common Programme of the French left and the British Labour Party's programmes of 1973 and 1976 are more explicit on the manner in which they envisage harnessing the power of big business through planning than is the PCI programme of 1977. Besides, there is the question of a possible wages and prices policy during a crisis period in which the Communist Party in Italy might participate in or form a Government. The question clearly is posed whether a historic Communist Party, which has hitherto been polarised from socialists and social democrats, would not find that the moderate character of its economic strategy reduced it to trying to resolve the economic crisis in Italy through classic social democratic policies of wage restraint and incentives to private capital.

One thing is clear enough: the cold warriors and the ultra-left cannot both be right in their reading of PCI economic policy and its implications for the political process. If Kissinger and his acolytes are correct in arguing that the leopard has not changed its Muscovite spots, then the apparent parallel between neo-Gramscian hegemony and social democratic consensus cannot be correct. Inversely, to the extent that the PCI strategy for building consensus for democratic economic policy is realised, the Kissinger doctrine falls. The old style determinism which he claims would be discredited.

In fact there are strong grounds for claiming that the neo-Gramscian and consensus approach of the PCI is already a historical strategy, rather than a short-term political tactic. But also the PCI has reason to claim that it is not social democratic in the sense of aiming to fulfil the better management of capitalism than the capitalists can manage themselves — through wage restraint and keeping the trades unions "in line". The two issues can be considered briefly, but in more detail.

For instance, in the immediate postwar period, the PCI adopted a reconstruction programme which was predominantly Keynesian in character — stressing the necessity of sustained demand and public expenditure to ensure that any temporary recovery was not followed shortly thereafter by a recession de-stabilising the democratic process — as had happened in Italy following the First World War. [16] But this also was accompanied in the postwar decade by a criticism of Keynesianism in direct enough terms — not least the fact that demand management and the public expenditure alone did not change the social relations of production — between capital and labour as classes, and between management and workers within enteprise. By the eighth Congress of the Party in the year of the invasion of Hungary — 1956 — these state capitalist implications of Keynesianism were being raised in the wider non-Keynesian context of state intervention in the structure of supply rather than demand. In other words, the Keynesianism itself of the Party's postwar reconstruction programme was critical and qualified.

On the other hand, its evolution of an analysis of postwar state capitalism in Italy by implication criticised and qualified classic Leninism. The issues have been made explicit by a leading PCI ideologue, Luciano Barca, who has emphasised the importance of the tenth party congress in representing "an advance in principle on the problems of state capitalism". He admits that some people have seen this as a somewhat uncritical adoption of the arguments of Lenin on state capitalism as the ante-chamber of socialism. However, he points out that Lenin himself saw state capitalism not only as the ante-chamber or precursor of socialism, but also as the 'highest stage' of monopoly capitalism. Barca argues that by the time of the eighth congress of the party in 1956, it was explicitly admitted that while "the arrival of forms of state capitalism can open the road to socialism, wherever it is accompanied by a democratic political struggle . . . "There is a danger that nationalisation, rather than destroying the power of the monopolies, will only create a new form of backward and reactionary capitalism". [17]

In other words, the determination assumed by Kissinger, whereby the PCI would assume that economic events led relentlessly to the advance to socialism, is contradicted by the admission that state capitalism may arrest the progress of society towards a socialist mode of production. Moreover, this happens in the mid-1950s, rather than the mid-1970s. It is long-term and basic analysis rather than a short-term and cosmetic tactic. It also implies a major ideological and political campaign to reveal the limits of state capitalism rather than a sudden attempt at the seizure of power.

Trade Unions

This also is implied by the relations of the PCI with trades unionism in the postwar period. The so-called Italian economic miracle brought real wage gains to the Italian working class of a kind which it had never before experienced. According to PCI spokesmen themselves, it was not until 1962-66, with the first real check to the sustained expansion of real incomes and the first signs of real faltering in capital accumulation, that the PCI as political leadership could make much impact on a unionised labour force for whom an instrumental attitude to work and the role of take-home pay were predominant. Even then, in the mid-1960s, when there was an advance beyond mere concern with wage bargaining for broad sections of the organised working class, this was for a while focussed on demands for sustained capital accumulation rather than qualitative demands for transformation of the system. [18]

The change came substantially with the second major crisis of the postwar period, in 1968 and 1969, when the leading three unions in industry united in a campaign which went beyond the traditional wage bargain. Even then, with the three-months engineering strike of the "hot autumn" of 1969, residual expectations that managerial capitalism could "deliver the goods" in terms of constantly increasing real wage exerted a considerable ratchet effect in the now institutionally unified trades union base. It was only with the patent incidence of crisis on a major scale with the world recession following 1973-4 that broad sections of the Italian working class lost their confidence in the capacity of capitalism to maintain the income increases to which they had become accustomed, and widely admitted — with varying degrees of consciousness — the limits of state capitalism itself. [19]

In effect, it took twenty years from the evolution of state capitalism thesis in the PCI for the party's natural constituents to accept the new party line. Thus, as in France, the road was hard and long. The difference lay in (i) dominant consensus support which the PCI had managed to secure for itself among the working class by that date, and (ii) the difference which an explicit ideological case for consensus building — through Gramsci — made in its more full hearted attitude towards an alliance of the working class and peasontry with the middle and petty bourgeoisie. If the Socialists in France had been accepted as coalition partners of the Gaullists, as Guy Mollet until late in his leadership appeared to wish, it is possible that the PCF now would be in a similar position in France to that which the PCI has secured in Italy — by keeping its hands clean during a discrediting of "centre-left" coalition government in the sixties and early seventies. Politically, the PCI let the PSI made the mistake of entering coalition government without a broadly based class support.

In itself this says little or nothing about the feasibility of the PCI avoiding "mistakes" if it forms a government through seeking to resolve the crisis of Italian capitalism in the short term, through restraining wages and thereby losing its basic support as a party of and for change. It is arguable that even during the medium term, any government of the left in Italy would have to call for wage restraint in its struggle to combat inflation and balance of payments deficits. The alternatives are either a total siege economy of the kind which the PCI has rejected, not least because of its commitment to continued membership of the EEC — for mainly political reasons; or a combination of progressive taxation on wealth and income with price controls, reflation. The PCI has committed itself in the 1977 programme to both a revision of the EEC's common agricultural policy, and a strategy of import substitution and self-sufficiency in agricultural products. If achieved, this could have a very considerable impact on the balance of payments: the most notable item in the payments deficit of 1963 — the first since the early 1950s — was beef. It also could achieve considerable import saving through the development of a nuclear power programme — as again specified as a priority objective in the 1977 programme. [20]

On the other hand, beef production is slow and difficult. Nuclear power programmes are notorious for consuming more in investment and research than virtually any other form of project, with negligible commercial pay-off and substantial environmental hazards. If the PCI in government is to avoid wage restraint while re-structuring investment and productivity, it will need to cope with the problem of inflation and related balance-of-payments deficit at source. [21] It is the same problem as has confronted the French left and caused such basic underlying tensions in the on-going differences over the common programme. With a key difference: in France the PCF thinks that the PSF will try to impose wage restraint to resolve the crisis. In Italy, the only party capable of delivering a degree of negotiated wage restraint is the PCI. [22]

Conclusions

It is in this perspective that the differences between social democratic consensus-building, in the sense of gaining majority support on the basis of the lowest common denominator agreeable to different groups and classes, differs from the Gramscian concept of *hegemonic* consensus. The differences become important in distinguishing strategies for reform of capitalist society from a strategy for its transformation. At the risk of over-simplification, and with allowance for the fact that Gramsci himself is not wholly consistent on the relations between the state and civil society, they can be highlighted as follows. [23]

Civil society is "that ensemble of organisms commonly called private", while political society is the public realm including that of the state. Both are part of the social and political "super-structure" of capitalism. But the role and activities of groups and classes within this superstructure is not simply a reflex or servicing of the needs of the forces of production in the economic base or sub-structure of the system. Nor is the role of the state apparatus itself of necessity predominantly repressive. In practice, "the supremacy of a social group manifests itself in two ways: as 'domination' and as 'intellectual and moral leadership'." Moreover, dominance and leadership are not simply a matter of the exercise of state power: "a social group can, and indeed must, already exercise 'leadership' before winning governmental power . . . it subsequently becomes dominant when it exercises power, but even if it holds it in its gasp, it must continue to 'lead' as well". [24]

Essentially reformism is only the parliamentary expression of intellectual, moral and political *hegemony*. Power stems from a hegemonic position in civil society, rather than occupying office. Gramsci stresses that "undoubtedly the fact of hegemony presupposes that account be taken of the interests and tendencies of the groups over which hegemony is to be exercised, and that a certain *compromise* equilibrium should be formed". However, such a compromise "cannot touch the essential; for though hegemony is ethical-political, it must also be *economic* (and) must necessarily be based on the decisive function exercised by the leading group in the decisive nucleus of economic activity". Reformism excludes "the transformation of the subordinate group into the dominant one, either because the problem (of hegemony) is not considered — Fabianism, De Man, and important parts of the Labour Party — or because it is posed in an inappropriate and ineffective form — social democratic tendencies in general — or because of a belief in the possibility of leaping from class society directly into a society of perfect equality". [25]

If this leaves open the question whether the PCI through the historic compromise has in fact "touched the essential" and compromised excessively on economic policy, it nonetheless illustrates the kind of framework within which the Party perceives its own economic programme. It has opted clearly for the general Gramscian strategy of building up a hegemonic *position* of intellectual, ethical and political leadership, in contrast with the Leninist strategy of *manoeuvre* and seizure of state power through a vanguard movement which may or may not have the widespread support of different classes and strata in society. It could perhaps be commented that strategies of position which neglect manoeuvre and decisive leadership at particular junctures are as manoeuvres which are not backed by an established position. Gramsci himself commented that it is possible to achieve a dominant position without effective leadership, and that in such a position the dominance "will be exercised by a part of the social group over the entire group, and not by the latter over other forces in society in order to give power to the group (and) radicalise it".[26] The dominance of Italian politics today, when at the time of writing, Italy is governed through the grace, favour and abstention of the PCI, may be a case in point.

Notes

[1] Santiago Carrillo, *"Eurocommunismo" y Estado,* Grupo editorial Grijal 1977.

[2] Gramsci himself is complex and not wholly consistent in his analysis of the relations between civil society and the state.

A more detailed assessment of "hegemony" in relation to the differences between the PCI and classic social democratic policies follows later in this paper.

[3] See inter alia CESPE, *I Comunisti Italiani e l'Europa*, op cit; *Imprese Pubbliche e Programmazione Democratica*, Quaderni di Politica ed Economia 7 and 8, 1973, and *Il Mezzogiorno nella Crisi Italiana*, ibid, no. 14, 1975.

[4] PCI, *Proposta di Progetto a Medio Termine, Editori Riuniti*, July 1977.

[5] PCI, *Proposta di Progetto* etc., p.25.

[6] PCI, ibid, pp.38-48.

[7] PCI, ibid, pp.52-53.

[8] PCI, ibid, pp.47-58.

[9] PCI, ibid, p.61.

[10] CESPE, *Imprese Pubbliche e Programmazione Democratica*, op. cit.

[11] PCI, *Proposta di Progetto* etc., op cit, p.61.

[12] PCI, ibid, p.72.

[13] See further Stuart Holland (Ed), The State as Entrepreneur, 1972, chapter 1.

[14] Luciano Barca, a leading economic spokesman of the PCI, pays specific credit to Christian Democrat economists such as Saraceno, and Socialists such as Paolo Sylos-Labini in widening the terms of reference of debate on the Italian economy. Cf. Luciano Barca, Franco Botta and Alberto Zevi, *I Comunisti e l'Economia Italiana* 1944-74, 1975, p.29.

[15] PCI, *Proposta di Progetto*, op cit, p.22.

[16] The programme was forwarded by the PCI-dominated union CGIL, on which Napoleone Colajanni (later vice-president of the Senate) has commented that this was "substantially a Keynesian plan, based on the attainment of global employment." See further CESPE, Imprese Pubbliche etc. op cit, p.131.

[17] Luciano Barca, Franco Botta and Alberto Zevi, I Comunisti e l'Economia Italiana, op. cit. pp.25-26.

[18] See further D. Grisoni and H. Portelli, Luttes Ouvrieres en Italie de 1960 a 1976, Aubier Montage, Paris, 1976, and Lucio Libertini and Bruno Trentin, L'Industria Italiana alla Scolta, De Donato, 1975.

[19] Luciano Barca, et al, op. cit. p.31.

[20] PCI, *Proposta di Progetto*, op. cit. pp.67 and 71.

[21] It is of some interest that Eugenio Peggio, head of CESPE, is on record as endorsing the analysis of inflation made by the EEC Maldague group in 1976, which argued that inflationary pressures under monopoly conditions were increased by deflation, which raised fixed costs, and therefore concluded that only a combination of reflation with price controls could cope with the current inflationary problem. See further EEC Commission, *Report on Inflation* (cyclostyled) 1976.

[22] The vocabulary of an 'active manpower policy', and labour redistribution, is nominally shared by the PCI with the German SPD — however different its implications for the two parties. See further PCI, *Proposta di Progetto*, op. cit. p.74.

[23] See especially Perry Anderson, *The Antinomies of Antonio Gramsci*, in New Left Review, No. 100, 1975-6.

[24] Antonio Gramsci, *Selections from the Prison Notebooks*, op. cit., pp.12 and 57-8.

[25] Antonio Gramsci, *Selection from the Prison Notebooks*, op. cit., pp.160-161 (our emphases).

[26] Antonio Gramsci, *Selection from the Prison Notebooks*, op. cit., p.106.

Socialist International

SI REPORT ON MULTINATIONALS

Published below is the report of the Socialist International Study Group on Multinational Corporations, which was established by the Bureau at its meeting in Rome on June 2-3, 1977. The report was approved by the Bureau at its meeting in Paris on September 28-29, 1978.

(1) The Socialist International Study Group on Multinationals was set up by the Bureau at its meeting in Rome in June 1977. The set of recommendations contained in this report is the end result of a series of informal meetings and contacts involving the members of the group in the course of which various papers were studied. The report itself has been considered in depth at meetings in Madrid in October 1977 and in Brussels in June 1978. The ICFTU (International Confederation of Free Trade Unions) has participated fully in the work of the group and in the preparation of this report.

(2) The present report contains a set of practical policy recommendations which should command the active attention of the Socialist International and of member socialist parties with a view to action at the international and national levels.

Introduction

(3) Over the past decade there has been increasing concern about the role and activities of multinational corporations (MNCs). It is widely recognised that in many cases MNCs have been powerful agents of economic progress, for example in the diffusion of technology and in the mobilisation of financial resources. However, the growth and behaviour of MNCs has also had many serious adverse effects and has given rise to great concern. Firstly, the operations of multinationals tend to undermine national sovereignty because they are often able to evade national controls and jurisdiction. In some instances MNCs have even interfered directly in the internal policital affairs of host countries. Secondly, MNCs are able to limit the influence of trade unions through their ability to play off one set of workers in one country against those in another. Thirdly, MNCs' activities can disrupt international economic relations by means of transfer pricing, restrictive business practices and massive capital flows across national boundaries. Fourthly, MNCs have helped perpetuate the disparity between the industrialised nations and the developing countries. Finally, MNC operations have often resulted in the waste of scarce resources and in pollution. For these reasons, it is imperative that the activities of MNCs should be controlled and that effective countervailing powers are developed to meet the multinational challenge.

(4) Ideally we would like to see effective international and national legislation to control MNCs. We recognise, however, that this ideal is at present only a remote possibility. This report is inevitably more modest in its scope and we have deliberately restricted it to a set of concrete policy recommendations that could be implemented by socialist parties and their governments.

(5) The study group has noted with interest the work that has already been done elsewhere both at the international level (principally at the United Nations and its specialised agencies ILO and UNCTAD) and at the regional level (e.g. at the OECD and the EEC) to establish regulatory codes of conduct for MNCs. It recommends to support these activities in accordance with the proposals contained in this report. The study group has concluded that policies should be formulated at both the international and national levels. The aims of the policies at both levels should be to improve the information available on MNCs and to establish effective control over the activities of MNCs.

(6) We are well aware that initiatives designed to implement the proposals contained in this report will meet with major opposition from international big business. This opposition will seek to deprive the proposals of any meaning. The whole strength of the Socialist movement belonging to the International will be required in order to overcome this opposition and to ensure that the objectives of the report are fully realised.

Policies at International Level

(7) It has been widely recognised that the lack of information on MNCs' activities is one of the greatest obstacles to a correct appraisal of their role and, consequently, to the formulation of effective countervailing measures. Above all, it prevents a real assessment of the impact of MNCs on international economic relations.

(8) It is to be welcomed that the UN Commission on Transnational Corporations (TNCs) has instructed the UN Centre on TNCs to establish a comprehensive information system on MNCs. In this context, it is essential that the right kind of data is supplied to the Centre and that, as agreed at the Fourth Session (May 1978) of the Commission, the information is made available to non-governmental groups such as trade unions and universities. The system of information should provide a major focus for dealing with MNCs, identifying their major activities and disentangling the intricate network of companies and subsidiaries that forms the most obscure aspect of the operations of MNCs.

(9) It will be the particular responsibility of those running the information system to ensure that, whenever possible, common statistical and accounting standards are adhered to at the national level. Full support should be given to the work of the UN following the decision to establish an intergovernmental group of experts to look into this question. Trade unions and other interested parties should have the opportunity to present their views to the group in an effective manner.

(10) The information activity at international level should be based on special national agencies in each country which should monitor all aspects of MNC operations in that country (see para. 18). This would make possible the flow of accurate and detailed information on MNCs to the international or intergovernmental level and would also provide a focal point for conitoring international controls and guidelines.

(11) In parallel with the drive for greater disclosure of information, measures must be developed which aim at controlling MNC activities. As far as possible international codes of conduct should be legally enforceable. The Socialist International should, therefore, support the demands of the Group of 77 developing countries and of the trade unions that the UN Code be legally enforceable and endowed with effective complaints and supervisory machinery.

(12) If only voluntary codes can be obtained at the international level, they should at least be accompanied by an effective complaints and supervision machinery which allows governments and trade unions to submit individual cases where the code has been infringed. The revision of the OECD Guidelines and the instigation of an implementation machinery for the 1977 ILO Tripartite Declaration on MNCs and Social Policy, both of which are scheduled for 1979, should take these considerations into account.

(13) Clearly, the search for worldwide controls, e.g. through the drawing up of multi-lateral conventions which can be ratified and be given legal force by national governments, will take some considerable time. As an important interim step, we suggest that the principles of appropriate voluntary codes should be transformed into legislation by bilateral or multi-lateral (especially regional) agreements between governments. Governments should also pursue their own intergovernmental initiatives, if possible within regional groupings, to establish legally-backed controls over MNCs. One area where intergovernmental agreement would be particularly valuable is in the field of national investment incentives, where the desire to attract foreign capital has often resulted in a competitive overbidding which has allowed MNCs to play off one government against another in order to extract the greatest financial gain.

(14) The work of UNCTAD in respect of drawing up a code of conduct for the transfer of technology and establishing guidelines to control restrictive practices further deserves support. This also applies to the various political initiatives which have been launched in a number of parliamentary fora, such as the European Parliament and the Council of Europe, and which aim at seeking greater control over MNC activities.

(15) The ability of governments and trade unions, especially those in developing countries, to deal and negotiate with MNCs must be strengthened by the provision of technical aid and the development of technical cooperation.

(16) Trade unions, in particular, have a key role to play in building up an international countervailing power to the MNCs. This task is essentially the responsibility of the unions and their international organisations (ICFTU, ETUC, TUAC, International Trade Secretariats etc.) and all possible support should be given to trade union activities whether at the level of individual enterprises, particular economic branches or sectors, or in respect of international bodies and agencies (UN, ILO, OECD, etc). A close coordination between socialist parties and governments and the trade unions is essential to meet jointly the challenge of the MNCs.

Policies at National Level

(17) The efficiency of the information system and controls at the international level will depend crucially on (a) the existence of effective agencies at the national level and (b) the extension of industrial democracy in each country.

(18) On the first point, each country should as a priority establish a special MNC monitoring agency which would gather information for national and international use from MNCs, other governmental bodies and trade unions. The national agencies should be given the power, the ability and the duty to obtain information on all relevant activities of MNCs within their boundaries and should monitor all flows of inward and outward investment. In this task they would be assisted by the information gathered by agencies in other countries either coordinated at international level e.g. by the UN Centre on TNCs, or by direct exchange at governmental level.

(19) Each national agency should obtain regular detailed information on the following points:

- the structure of the corporation, the main shareholders and the extent of local participation, affiliated and subsidiary firms and the composition of the board of directors and other decision making bodies;
- investment and marketing policies, international trade (in particular intra-company transactions and transfer pricing practices), research and development activities, sources of finance, plant locations and employment levels;
- employment and training policies, conditions of work and industrial relations.

(20) The information gathered by the national agencies will enable governments and trade unions to identify those areas that require action, to develop measures to control MNC activities in their countries and to monitor the effects of these controls.

(21) Important areas for governmental action and examples of particular control measures are as follows:

(a) Planning — ensuring that MNCs observe and contribute to the fulfilment of the economic, social, environmental and technological objectives of the country.

(b) Economic Democracy — the development of proposals to extend economic and industrial democracy.

(c) Public Ownership — the use of public enterprise to challenge the dominance of MNCs in key industrial sectors.

(d) Local Participation — the negotiation of appropriate joint ventures with local capital.

(e) Finance — control of remittances of profits and capital, and of transfer pricing; control of domestic and foreign borrowing; and the elimination of those financial incentives which discriminate in favour of foreign and against local capital.

(f) Regulation — the establishment of appropriate employment and training procedures, conditions of work and trade union rights in accordance with ILO standards; enabling trade unions to undertake international sympathy action by repealing laws which create obstacles to such action; and encouragement of research and development within national boundaries.

(g) Research — promotion of research studies on MNCs.

(22) MNCs should not interfere in the internal affairs of host countries. Each national government should take the necessary legislative measures to prevent such interference.

Study Group Members

Belgium
Oscar Debunne (Chairman)
Federal Germany
Wilfried Haesen
Uwe Holtz
Finland
Heikki Oksanen
France
Pierre Yves Cossé
Great Britain
Geoff Bish (Secretary)
Steve Thomas
Italy (PSDI)
Luigi Coccioli (Vice-Chairman)
Japan (JSP)
Shozo Sugiyama
Spain
Luis Carlos Croissier
Eneko Landaburu
Sweden
Carl Lidbom
Socialist International
Bernt Carlsson
ICSDW
Enrica Lucarelli
ICFTU (Observer)
Carl Wilms-Wright

NORTH~SOUTH COMMISSION

Willy Brandt's Independent Commission on International Development Issues (ICIDI), which had been inaugurated in the latter part of 1977 (see Socialist Affairs 2/1978), held its third and fourth meetings in Bamako, Mali, on May 14-17, 1978, and in Tarrytown, New York, on August 25-28, 1978. The following are extracts from the communiqués issued by those sessions of the Commission, which is expected to complete its work in mid-1979.

Bamako Session

"Prior to the deliberations of the Commission its members devoted the first day to hearing the views of invited African guests. These personalities were, from Mali, Lamine Keita, Minister of Industrial Development and Tourism; Maître Alioune Blondin Beye, Minister of Foreign Affairs and International Cooperation and Fagnanama Koné, Minister for Rural Development. From the Republic of Zambia, the Minister of Education, Professor L. K. H. Goma, presented his views and the African Development Bank was represented by the Director, Tekalien Gedamu.

"The Foreign Minister of Mali noted the significance of the Commission's choice of holding its meeting in Mali, a country plagued by serious droughts and facing severe disadvantages in its development efforts. The issues before the Commission and the recommendations it will make, the Minister said, are bound to be of great significance for Mali, the Sahelian region and, indeed, the entire world. The Malian Ministers explained to the Commission how closely international economic conditions affected Mali's economy and reported on the progress in regional cooperation between Mali and neighbouring countries, especially in plans for water management. They also expressed their disappointment with the difficulty of obtaining external resources for joint projects.

"The Zambian Minister of Education concurred with these sentiments and gave a brief survey of his country's economic problems, caused by the great fluctuations in the price of copper which has experienced a disastrous fall.

"Mr Gedamu emphasized that, although the African Development Bank has so far played a modest role in assisting African development, it hopes to become far more significant in the next decade. This should be facilitated by the recent decision of the Bank to allow membership by countries outside Africa, thereby augmenting its financial resources.

"The Commission found these presentations extremely valuable and stimulating for its subsequent discussions on its own agenda.

"In its closed meeting the Commission placed priority in its discussions on the problems of the 'least developed countries'. The Commission had deliberately come to Mali because of its concern with this issue. It concluded that a major international initiative was needed to create favourable prospects for regional development in the poverty belts of Africa and Asia. Its final report will devote particular attention to this topic. In relation to these questions the Commission also discussed the issue of 'basic needs' in the framework of restructuring international economic relations.

"In view of the importance the Commission attaches to international efforts in eradicating poverty, it has established a Working Group to examine and make recommendations on the constraints to development of the least developed countries, the resource requirements and time frame that enable these countries to be self-sustaining, and the institutional framework for mobilizing and utilizing the needed resources. It will be chaired by Antoine Kipsa Dakouré, Commission member from Upper Volta.

"After a preparatory round-table with experts on commodities which was held in London last week the Commission in its Mali meeting had a first round of discussions about commodity issues which will be continued later. It sees the commodity problem as a major element in the North-South dialogue.

"The Chairman informed the Commission that on the level of experts an exchange of views on North-South relations will take place with the Soviet Union and other countries of Eastern Europe. Members of the Commission's Secretariat have been invited to visit Moscow this summer.

"Among the subjects touched upon in the general discussion, the increasingly important relation between armaments and development was underlined again and it was hoped that the forthcoming UN Special Session on Disarmament might further strengthen the interest in a certain linkage between resources saved by reduction in armaments expenditures and the needs of developing countries for intensified international economic cooperation."

Tarrytown Meeting

"At its meeting in Tarrytown the Commission discussed the mutuality of interest in different areas and considered analyses of the international debt problem and the financial needs of different groups of developing countries, food and agriculture and related problems, and international migration. The Commission received reports of a round table on commodity problems and of the first meeting of the Working Group on the Problems of the Least Developed Countries led by Antoine Kipsa Dakouré (Upper Volta). It decided to hold a similar meeting on possibilities for increasing trade and cooperation among developing countries; this will take place in India prior to the Commission's November meeting in Malaysia and will be presided by Laksmi Kant Jha (India).

"The Secretariat reported on a first meeting with experts in the Soviet Union in July. The Chairman gave an account of his contacts with governments in developing and developed countries as well as international organizations.

"The Commission took note of the results of the UN Special Session on Disarmament and decided to discuss at one of its next meetings the important relation between disarmament and development.

"The Commission welcomed as a new member Senator Edgar Pisani of France, former Minister of Agriculture. He will take the place of Pierre Mendes France who has asked to be released from his seat on the Commission for health reasons. The Commission took the occasion to thank Mr Mendes France for his contributions to the work of the Commission, and will continue to seek his advice.

"The Commission had invited a number of guests to speak on various aspects of North/South relations. The views of the United States Government were presented by Richard Cooper, Under Secretary for Economic Affairs in the Department of State. Senator Jacob Javits of New York, Orville Freeman and Marlan Cleveland, as well as Dr Henry Kissinger, also addressed the Commission.

The Commission also heard statements by Kenneth Dadzie, UN Director General for Development and International Economic Cooperation; Idriss Jazairy, Chairman of the UN Committee of the Whole; Ambassador Donald Mills, Chairman of the Group of 77; Jacques de Larosière, Managing Director of the International Monetary Fund; and Dr Raúl Prebisch, former Secretary-General of the United Nations Conference on Trade and Development and former Executive Secretary of the Economic Commission for Latin America."

ICIDI Members

Willy Brandt, Chairman of the German Social Democratic Party and of the Socialist International; Federal Chancellor, 1969-1974; Nobel Peace Prize, 1971.

Antoine Kipsa Dakouré, former Planning and Agriculture Minister of Upper Volta.

Eduardo Frei, former President of Chile.

Katharine Graham, publisher of the US magazine *Newsweek* and the *Washington Post.*

Abdlatif al-Hamad, Director-General of the Kuwait Fund for Arab Economic Development.

Edward Heath, former British Prime Minister.

Amir Jamal, former Finance Minister of Tanzania.

Khatijah Ahmad, Managing Director of KAF Discounts Ltd., Malaysia government brokers.

Laksmi Kant Jha, Governor of Jammu and Kashmir, India.

Adam Malik, former Indonesia Foreign Minister and former President of the UN General Assembly.

Rodrico Botero Montoya, former Colombian Finance Minister.

Haruki Mori, former Japanese embassador to the United Kingdom.

Joe Morris, Chairman of the Governing Board of the International Labour Organization.

Olof Palme, former Swedish Prime Minister.

Peter Peterson, former United States Secretary of Commerce.

Edgar Pisani, former French Minister of Agriculture.

Shridath Ramphal, Secretary-General of the Commonwealth.

Layachi Yaker, former Algerian Minister of Commerce.

Ex-officio Members: executive secretary — **Göran Ohlin,** Swedish economist; director of the secretariat — **Dragoslav Avramonic** (Yugoslavian economist); honorary treasurer — **Jan Pronk,** former Dutch Development Cooperation Minister.

Dates and Venues of Commission meetings

9-11 December 1977
Opening session in Gymnich Castle near Bonn/Germany
10-12 March 1978
Second Meeting in Mt. Pèlerin/Switzerland
14-17 May 1978
Third Meeting in Bamako-Mali
25-28 August 1978
Fourth Meeting in Tarrytown/U.S.A.
24-27 November 1978
Fifth Meeting in Malaysia
23-26 February 1979
Sixth Meeting in Saudi Arabia
4-7 May 1979
Seventh Meeting in Latin America
28 June-2 July 1979
Concluding session in Vienna/Austria

SI STATEMENTS

Nicaragua

The General Secretary of the Socialist International, Bernt Carlsson, issued the following statement on the situation in Nicaragua on September 13, 1978:—

"The Socialist International expresses its deep concern at the worsening of the political situation in Nicaragua and the widespread violations of human rights that have been taking place in that Central American country, particularly since the murder of Pedro Joaquin Chamorro in January this year.

"The people of Nicaragua have been suffering for more than forty years under one of the most outrageous dictatorships in Latin America. The Somoza family has been ruling the country as if it were the private property of that family and has maintained itself in power against the popular will by the use of torture, repression and electoral fraud.

"The Socialist International supports the struggle of the Broad Opposition Front and the Liberation Democratic Union, and expresses its solidarity with the Nicaraguan people in their brave efforts to bring about democracy and social justice in their country. The Socialist International demands an end to the repressive measures and violations of human rights perpetrated by the Somoza dictatorship."

This was followed by a second statement, published below, which was issued on September 21, 1978.

In the light of the bloodshed and atrocities now occurring in Nicaragua as the régime of General Anastasio Somoza seeks to prolong the grip in which his family has held the country since 1933, the Socialist International calls for the following action as a matter of urgency.

1. An immediate halt to all summary executions of Nicaraguan citizens by the National Guard.
2. The immediate resignation of the Nicaraguan dictator whose régime has been condemned by the trade unions, the Catholic Church, the private sectors and by every political party in Nicaragua except his small group of supporters in the ruling party.
3. The halting of all military supplies to the forces of the Somoza régime, in particular by the U.S. government.
4. The support by Socialist International member parties to those groups within Nicaragua resisting the Somoza government.
5. Immediate assistance to be given to a democratic government which succeeds the Somoza régime in its task of reconstructing Nicaragua.

The killing in Nicaragua must stop. The ruthless dictatorship has been allowed to continue for too long. The outside world omitted to remind the Somozas of the Nicaraguan government's international treaty obligations to respect the basic civil rights of its citizens. A start must be made in constructing real democracy based on free elections.

Iran

The statement on Iran, published below, was issued by Bernt Carlsson, the General Secretary of the Socialist International, on September 25, 1978.

The Socialist International condemns the recent events of political repression in Iran such as the massacres carried out by the troops of the Shah, Mohammed Reza Pahlavi.

It appears on the surface as if the cause of these developments could be the declared intention of the Shah to initiate a policy of reforms. The extent to which this policy is being challenged by conservative forces within the country is evidence of the futility of attempting modernisation by fiat.

The policy of carrying out a development programme through the repressive, authoritarian political system of Iran is in itself a contradiction. The Shah has, by a policy of repression, by imprisonment, torture and executions, tried to destroy the progressive forces of Iran. These forces are essential as the political basis for the development of a democratic Iran.

The policy of the United States has so far aided the maintenance of the repressive regime. In view of the recent commitment of the United States to a foreign policy based on human rights, Iran provides a test case for the credibility of this declared intent.

Many others are involved in a conspiracy of silence on the repression in Iran.

The Socialist International expresses its unreserved support for the progressive forces in Iran who strive for the establishment of democracy.