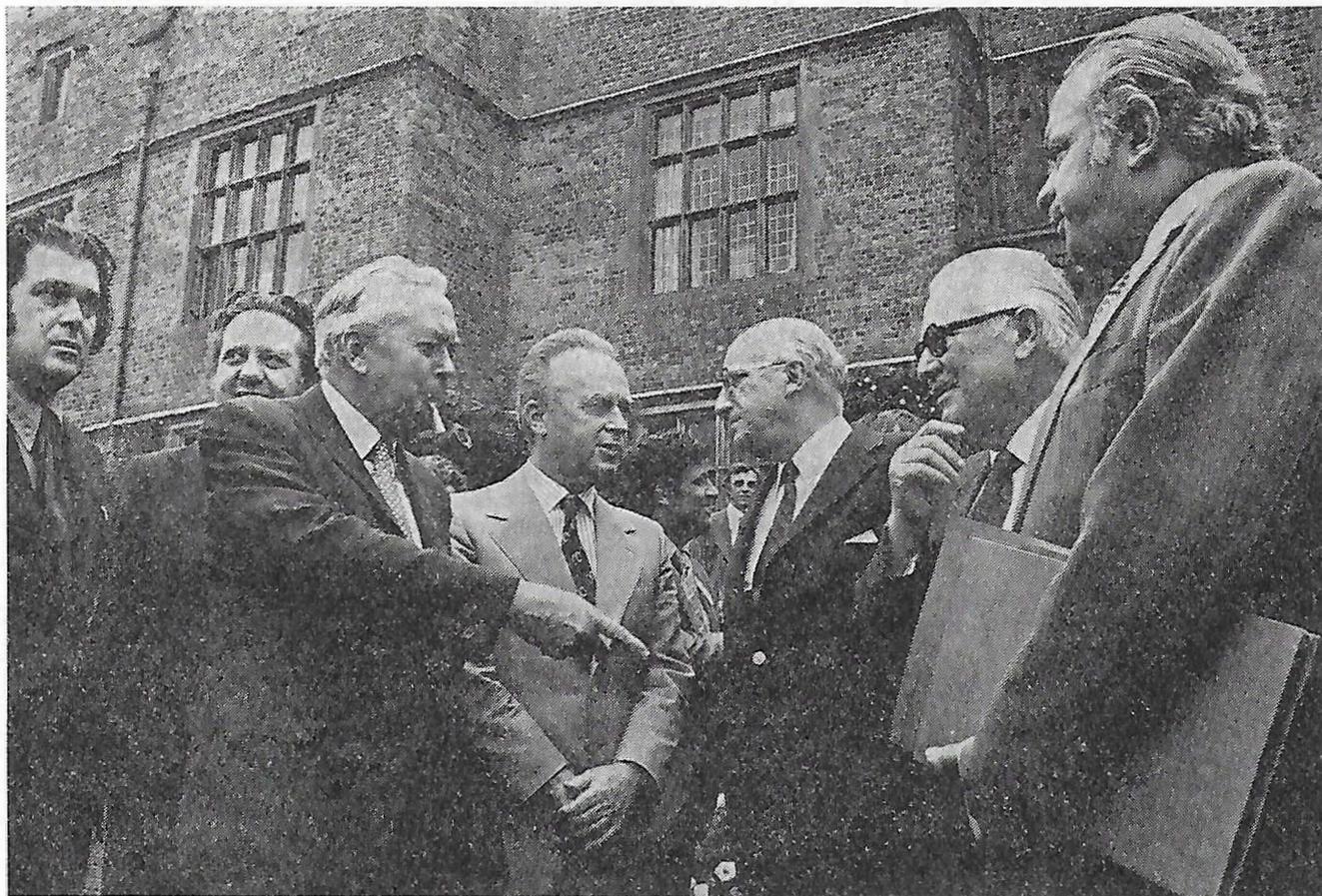


# SOCIALIST AFFAIRS



HAROLD WILSON with (from left to right) Hans Janitschek, Mario Soares, Yitzhak Rabin, Heinz Kuehn, Bruno Pittermann and Daniel Oduber.

## Party Leaders Conference 1974

Leaders of 26 social democratic and labour parties, including ten Prime Ministers, one President, five Cabinet Ministers and one former Prime Minister, attended the annual Party Leaders' Conference of the Socialist International which was held at Chequers on Sunday, 30 June, at the invitation of the British Prime Minister, Harold Wilson, Leader of the Parliamentary Labour Party and a Vice-Chairman of the Socialist International.

The conference discussed the international situation, with special emphasis on international economic problems and East-West relations, as well as problems of the Third World and Europe.

Party leaders who attended included Bruno Kreisky, Chancellor of Austria; Daniel Oduber, President of Costa Rica; Kalevi Sorsa, Prime Minister of Finland; François Mitterrand, First Secretary of the French

Socialist Party; Heinz Kuehn, Prime Minister of North-Rhine Westphalia; Yitzhak Rabin, Prime Minister of Israel; Dom Mintoff, Prime Minister of Malta; Sir Seewoosagur Ramgoolam, Prime Minister of Mauritius; Joop den Uyl, Prime Minister of the Netherlands; Trygve Bratteli, Prime Minister of Norway; Mario Soares, General Secretary of the Portuguese Socialist Party, and Portuguese Foreign Minister; Lee Kuan Yew, Prime

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Minister of Singapore, and Anker Joergensen, former Prime Minister of Denmark.

The conference first heard an introductory speech by Harold Wilson on international economic problems. The subject of East-West relations was introduced by James Callaghan, British Secretary for Foreign and Commonwealth Affairs. The subject of the Middle East was introduced by Yitzhak Rabin, Prime Minister of Israel, and Bruno Kreisky, Federal Chancellor of Austria, who recently led a mission of the Socialist International to Egypt, Syria and Israel.

Daniel Oduber, President of Costa Rica, introduced the subject the Third World, together with Alcalaus Coronel, the General Secretary of the Radical Party of Chile, who only recently escaped from Chile.

On European affairs, Joop den Uyl, Prime Minister of the Netherlands, and Mario Soares, Foreign Minister of Portugal, made introductory statements.

The Chairman of the Socialist International, Bruno Pittermann, former Vice-Chancellor of Austria, presided over the conference which was the best represented Party Leaders' Conference of the Socialist International ever held.

The following is a list of participants to the Party Leaders' Conference:

**HOST:**  
Harold Wilson, *Leader of Parliamentary Labour Party, Prime Minister, Vice-Chairman of Socialist International*

**AUSTRIA:**  
Bruno Kreisky, *Chairman of Austrian Socialist Party, Federal Chancellor*  
Karl Czernetz, *International Secretary of Austrian Socialist Party*

**BELGIUM:**  
André Cools, *Co-Chairman of Belgian Socialist Party*  
Jos. Van Eynde, *Co-Chairman of Belgian Socialist Party*

**BRITAIN:**  
James Callaghan, *Chairman of British Labour Party, Foreign Secretary*  
Ron Hayward, *General Secretary of British Labour Party*  
Ian Mikardo, *Chairman of International Committee of British Labour Party*  
Jenny Little, *Acting International Secretary of British Labour Party*

**CANADA:**  
Lorne Ingle, *Federal Treasurer of New Democratic Party*

**CHILE:**  
Alcalaus Coronel, *General Secretary of Radical Party of Chile*  
Carlos Parra, *International Secretary of Radical Party of Chile*

**COSTA RICA:**  
Daniel Oduber, *Chairman of National Liberation Party, President*  
Oscar Arias, *Member of Executive of National Liberation Party, Minister of Planning*

**DENMARK:**  
Anker Joergensen, *Chairman of Danish Social Democratic Party, former Prime Minister*  
Ejnar Hovgaard-Christiansen, *General Secretary of Danish Social Democratic Party*

**FINLAND:**  
Kalevi Sorsa, *General Secretary of Finnish Social Democratic Party, Prime Minister*  
Lauri Sivonen, *Acting International Secretary of Finnish Social Democratic Party*

**FRANCE:**  
François Mitterrand, *First Secretary of French Socialist Party, Vice-Chairman of Socialist International*  
Robert Pontillon, *National Secretary in charge of international affairs of French Socialist Party*

**GERMANY:**  
Heinz Kuehn, *Vice-Chairman of German Social Democratic Party, Prime Minister of North-Rhine Westphalia*  
Hans-Eberhard Dingsel, *International Secretary of German Social Democratic Party*

**IRELAND:**  
Conor Cruise O'Brien, *Member of Executive of Irish Labour Party, Minister of Communications*  
Niall Greene, *International Secretary of Irish Labour Party*

**ISRAEL:**  
Yitzhak Rabin, *Leader of Israel Labour Party, Prime Minister*  
Michael Harish, *International Secretary of Israel Labour Party*  
Israel Gat, *London Representative of Israel Labour Party*  
Danny Koren, *Assistant London Representative*

**ITALY (PSDI):**  
Antonio Cariglia, *Leader of Parliamentary Group of PSDI*  
Giampiero Rolandi, *London Representative of PSDI*

**ITALY (PSI):**  
Bettino Craxi, *Deputy Secretary of Italian Socialist Party*  
Gino Bianco, *London Representative of PSI*

**LUXEMBOURG:**  
Robert Geobbels, *General Secretary of Luxembourg Socialist Workers' Party*

**MALAYSIA:**  
C. M. Ting, *London Representative of Democratic Action Party*  
Charles Kraal, *Assistant London Representative of Democratic Action Party*

**MALTA:**  
Dom Mintoff, *Leader of Maltese Labour Party, Prime Minister*  
Joe Camilleri, *International Secretary of Maltese Labour Party*  
Francis Cassar, *London Representative*

**MAURITIUS:**  
Sir Seewoosagur Ramgoolam, *Leader of Mauritius Labour Party, Prime Minister*  
R. Chaperon, *President of Mauritius Labour Party, Minister of Education*

**NETHERLANDS:**  
Joop den Uyl, *Leader of Dutch Party of Labour, Prime Minister*  
Relus ter Beek, *International Secretary of Dutch Party of Labour*

**NORWAY:**  
Trygve Bratteli, *Chairman of Norwegian Labour Party, Prime Minister, Vice-Chairman of Socialist International*

**PORTUGAL:**  
Mario Soares, *General Secretary of Portuguese Socialist Party, Foreign Minister*  
Francisco Ramos da Costa, *Executive Committee member of Portuguese Socialist Party*

**SINGAPORE:**  
Lee Kuan Yew, *General Secretary of People's Action Party, Prime Minister*

**SOUTH KOREA:**  
Kim Chul, *Leader of United Socialist Party*

**SPAIN:**  
Francisco Lopez Real, *International Secretary of Spanish Socialist Workers' Party*

SWEDEN:  
Bernt Carlsson, *International Secretary of Swedish Social Democratic Party*

SWITZERLAND:  
Richard Müller, *Vice-President of Swiss Socialist Party, Leader of Parliamentary Group*

SOCIALIST INTERNATIONAL:  
Bruno Pittermann, *Chairman*  
Hans Janitschek, *General Secretary*  
Rodney Balcomb, *Assistant General Secretary*  
Eric Miller, *Honorary Treasurer*



above: (from left to right): BRUNO KREISKY with Ejnar Hovgaard-Christiansen, Anker Joergensen and Kalevi Sorsa.

right: (from left to right) JAMES CALLAGHAN with Alcalá Coronel and Carlos Parra.



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## SOCIAL DEMOCRACY IN THE NORTH

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### The Future of Norway's New Left

A new left wing socialist party is going to be formed in Norway within a year by the merger of three existing parties already in an electoral alliance. The decision to go ahead with the merger was taken at a conference in Oslo on 22 April. But the transformation of three parties into one is going to be a slow one. Although the alliance will be formalised by 15 March 1975, the existing parties will have a deadline until the end

of 1976 for dissolving their own organisations.

The new party—so far named The Socialist Electoral Alliance—is largely a product of the very serious split within the Norwegian Labour movement during the EEC campaign. While the Labour Party leadership strongly advocated Norwegian membership in the EEC, more than one-third of Labour's voters went against entry at the referendum on

25 September 1972. To the left of Labour, both the Communist Party—a 'one per cent party' in electoral terms—and the somewhat stronger Socialist People's Party, unanimously opposed membership.

In the winter of 1973 some Labour anti-marketiers left the party and formed their own, with the initials AIK (the 'labour information committee against the EEC'). Later on in the Spring AIK decided to join forces with the Socialist People's Party and the Communist Party in the Autumn general election. The alliance was an electoral success, and got 16 MPs out of 155—an increase from nil in the previous 1969 election.

(One Labour MP crossed the floor after the EEC referendum in 1972.)

But even after the successful outcome of the election, the birth of a permanent alliance seemed to be very difficult. The Communist Party, which itself split the Labour Party in 1923, was very hesitant. Although insignificant in all elections since just after the war, the Communists have maintained a fairly well-oiled party machine, with its own weekly paper and some influential shop stewards in the trade union movement. There was also one other factor which should not be overlooked in an international context: no other European communist party has ever before decided to dissolve itself.

The Socialist People's Party was probably most keen on a merger. The party was founded during the anti-nuclear campaign in Norway in 1961, and got two MPs elected to the Storting that year. The same two were re-elected in 1965, but the party lost both seats in the 1969 general election. As the Norwegian electoral system is loaded against the smallest parties, while favouring bigger and medium-sized parties, the Socialist People's Party always hoped to broaden its base for election purposes. But the Communist Party alone was not a suitable partner, for obvious reasons. The chance came when a group of anti-marketeters broke away from Labour. By also including so-called 'independent socialists', the new left-wing alliance was able to present itself as a more broadly based political alternative to socialist voters in Norway.

The dominant force within the new party will obviously be the Socialist People's Party. The Communists are too few to have any decisive influence once their own organisation disappears (if it does). The AIK has never been able to establish itself as a properly organised party, and will also slot into the new machine more as a wheel than as a driving force.

The question is whether the Alliance can last. Ideologically there are great gaps to bridge, from orthodox Moscow-communists to a liberal sprinkling of green conservationists, and from religious anti-abortionists to dedicated women's libbers. The alliance also suffered a public scandal when it was revealed that two of its MPs were convicted for treason during the war, one of them for conspiracy to murder.

So far the political programme for the new party is merely to work together. Except in foreign policy, where the alliance is strongly anti-NATO (though without any alternative defence policy), its programme is not basically different from that of the Labour Party. With a

minority Labour government in power the Alliance often has to vote for the government against the non-socialist opposition. The Alliance is well aware that most of its voters have previously voted Labour, and could easily return to that party if a Labour government was brought down by the left.

By giving itself a deadline virtually until 1977 for a full merger into a new

party, the Alliance has also demonstrated some hesitancy for the final embrace. This is undoubtedly a concession to the Communist Party where opposition to the merger still goes on—or as one Marxist-Leninist observer put it: 'This is like carrying divorce forms in your pocket when you are marrying.'

*Bjørn Hansen*

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## SOCIAL DEMOCRACY IN JAPAN

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### Japan: The Socialist Answer

The economy of Japan is in a serious state, plagued by galloping inflation, the oil crisis and food shortage.

These are phenomena common to the United States and the rest of the capitalist world. But particularly in Japan, because of contradictions sharpened by the policy, followed by the Japanese Government and monopolies, of giving priority to the interests of big business and of expanding the country's gross national product at the expense of the interests of working people who are suffering from rising prices, a widening gap in the distribution of wealth and income and social injustice. Many people are worried about their old age, about the education of their children, and while no proper measures are taken to solve these problems—food prices, housing shortages, worsening living environment, transportation difficulties, poor medical care, education and social welfare—the difficulties of people's living conditions are mounting. In 24 months since the formation of the Tanaka Cabinet in 1972, consumer prices have jumped 30.2 per cent and wholesale prices as much as 48.7 per cent.

The gap in the distribution of wealth and income has widened as a result of inflation sustained for more than ten years and made particularly serious in recent months by a more than 20 per cent increase in prices, to say nothing of the reduction of workers' real wages and personal spending, which amounted to Y100,000,000 million, at the time of the formation of the Tanaka Cabinet, and which has depreciated by about 30 per cent since then.

Petty savings—postal money savings, contributions to the welfare and old age pension funds, etc.—which amounted to Y25,000,000 million, have depreciated by as much as Y7,500,000 million. On the other hand, enterprises whose borrowings total more than Y100,000,000

million, have had their borrowings depreciated by more than 30 per cent. Unearned income, due to the price rises of stocks and land, exceeds the total wage income of 35 million workers, which amounts to about Y50,000,000 million, and more than double the total agricultural income of five million farming households, which reaches about Y26,000,000 million.

Because of inflation and speculation, the average income of the five top-ranking income earners, which was 500 times more than that of the average wage of working people at the beginning of the 1960s, was 2,500 times larger in 1971 and is estimated to have been 4,000 times larger than the average income of working people in 1973.

Social injustice is becoming more and more serious and the standard of living is threatened by growing difficulties because of the taxation policy of the Liberal-Democratic Government, which is geared in favour of big enterprise and high property income earners.

Oil production cutbacks, price rises of crude oil, and substantial rises in the international prices of mineral products and foodstuffs, which are due not merely to the Middle East dispute but also to worldwide inflation, have exposed to the public the bankruptcy of the policy of the Liberal-Democratic Government, a policy of using imported oil wastefully instead of developing domestic resources properly, and destroying domestic agriculture. The result is that Japan depends on foreign sources for the supply of more than half of the nation's foodstuff requirements.

Already in 1966, our 'Japanese Road to Socialism' denied the arguments that capitalism had changed in nature and rejected the theory of permanent prosperity of capitalism. It made clear the following facts: under a highly developed capitalist system, the working masses

are consigned more and more to poverty and are constantly threatened with economic crises and unemployment. The ruling classes are consistently following the policy of inflation in order to avoid overproduction and economic crises, and wasteful use of goods and resources have been institutionalised. It also pointed out that the danger of war still persisted and that monopoly capital was set on emasculating democracy, which it found to be a major obstacle to its domination. This programme of our Party also underlined the fact that in a dog-eat-dog capitalist society in which profit-making is glorified as the highest aim, egotism and careerism prevail, crimes and delinquencies increase and that as a result of a general moral degradation of society, human beings were more and more dehumanised. Recent developments in society bear out the correctness of our analysis in our 'Japanese Road to Socialism', and make us more and more convinced that Japanese capitalism, too, is moribund.

Despite the fact that the Liberal-Democratic Tanaka Cabinet is undeniably responsible for aggravating inflation, it is trying to shirk its responsibility by utilising a handful of profiteers as scapegoats and is taking advantage of the oil crisis to argue that the current price increases are due to external causes, calling the present inflation as 'imported inflation'.

Furthermore, in keeping with a temporary 'calming' of the price situation, it is diverting the attention of the public by intensifying its confrontation with the opposition parties by hammering out a more reactionary policy—submission to the Diet of various proposed laws for the prohibition of political activities of teachers, for the legislation of the national flag and the national anthem, and for the restriction of academic freedom in universities. As this posture of the Government shows, it is not at all prepared to come to grips with the current economic crisis seriously.

The Tanaka Cabinet is also taking a reactionary attitude to the current people's spring struggles, spearheaded by organised workers, and is leaving no stones unturned to develop campaigns aimed at setting ordinary people against organised labour. Inspired economists are warning the public that since no growth is expected in capital spending in the fiscal year 1974, inflation will worsen unless workers stop demanding pay increases. Other economists argue that since the Japanese economy is capable of adapting itself to a changed situation, it will be able to ride the oil crisis, even if the price of crude oil is

raised. Both these economists represent the intentions and thinking of the Government and big business.

In order to cope with the current economic crisis, the Tanaka Cabinet is still continuing the policy of stabilising prices at high levels in order to protect the interests of monopolies, and is refusing to follow any policy to defend the standard of living against inflation. The Government intended to quieten price rises temporarily just before the Upper House election, and plans to raise the consumer price of rice and approve the applications of power generation and gas companies for increased rates in electricity and gas charges later. Further, it intends to permit rises in National Railway and other railway and bus charges and medical care fees one after another after the election. As a result, the living difficulties of people are certain to increase in the near future.

Our Party is fighting to carry through the following demands together with the working people: (a) substantial wage rises, guarantee of labour rights for all workers, establishment of a uniform nationwide monthly minimum wage of Y60,000, shorter working hours, a minimum old age pension of Y60,000 per month, establishment of basic labour rights for government and government enterprise workers; (b) defence of the standard of living of low-income families, families receiving government grants under the Livelihood Protection Law, and physically handicapped people, against inflation.

Our Party is fully aware of the special significance of this year's people's spring struggle, and is making an all-out effort to support the struggle and win in it.

In addition, we are convinced that if the people's spring struggle is sustained and if workers and broad sections of working people continue their struggle against inflation and for the defence of their living, it will be possible to further develop concerted action among workers affiliated to different national centres and for the workers to strengthen solidarity with other sections of society, and then to develop a broad united front against the Liberal-Democratic Party.

On the other hand, the Government and management are expected to do everything in their power to drive a wedge between workers and other people, and between workers in private industries and Government and government enterprise workers in order to isolate the latter from other sections of the working class. Furthermore, they may take advantage of adventurism of extreme 'leftists' and rightists in the event



## Contributors

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of a general strike, in order to strengthen repressive measures against the working class.

Our Party must be prepared against any such situation, play its leading role fully and make the utmost effort for a successful spring struggle and general strike.

It is now clear to everyone that the Liberal-Democratic Tanaka Cabinet is not equipped to defend the people's standard of living against spiralling inflation. It is necessary for our Party to develop policy-making work and day-to-day activities on a priority basis, while presenting our policies and objectives clearly to the people, in order to solve the present political, economic and social problems, to resolve the difficulties of the people, and to defeat the Liberal-Democratic Government which serves money interests, and win a progressive government.

Consequently, the most important domestic task of our Party is to improve the standard of living and restore the health of our society by resolving inflation, rising prices, pollution and social injustice, for which the economic growth policy of the government, dedicated to the interests of monopolies, is mainly responsible, by guaranteeing a decent living for people in old age, and by a minimum level of income for all people through lowered prices of main food-stuffs, improved housing, transportation, medical care, education and increased social welfare, by rebuilding the country's agriculture, forestry and fisheries and by securing a sufficient supply of natural resources and energy resources

and promoting their efficient utilisation.

In order to carry out these tasks, our Party will endeavour to strengthen supervision of the government through popular participation, develop the nation's economy on a stable basis through democratic economic regulation, carry

out radical reforms in tax finances, establish local autonomy and fully implement the principles of peace and democracy laid down in our Constitution.

*Shozo Sugiyama*

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## SOCIAL DEMOCRACY AND EUROPE

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# Regional Policy and European Economic Union

*The following Report on Regional Policy was submitted to the meeting of the Socialist International Research Council, held in Brussels on 25–26 February 1974, by Franco Fiorelli (Italian Socialist Party).*

It is not intended in the present report to make a comparative study of the regions in all their multiplicity and to deal with the complex implications of the theme 'regional policy', having regard to the constitutional and administrative institutions, the historical traditions and the social and political forces at work in national realities.

At the moment when—faced by renewed pressure on the part of the United States and by the vitality now demonstrated by the countries in course of economic development—Europe would seem to be in search of her true self, trying to reconcile her attitudes and approach in the varying fields of monetary unity, a policy for energy, and changes in productive structures, it is particularly useful to examine the past and recent significance of regional policy as it affects community building.

Failure by the member states to reach agreement on the fashioning of an efficient instrument for giving effect to regional policy in the European Community now undergoes the risk of being more or less overlooked because of the dissensions that have arisen in the monetary and energy fields, and this despite the fact that it constitutes the most recent, manifest and grave symptom of a long tug-of-war, the origin of which coincides with the institutional Treaty of Rome. This disagreement, to which is added the suspension of decisions rendered necessary by the British elections, should rather offer a breathing space for close thought, the better to determine what strategy needs to be adopted and, above all, how to activate that strategy in a resolute manner.

In the course of the latest vicissitudes, the Chairman of the Council of Ministers of the Community, Ortolí, stated: 'There is no inevitable path for Europe. Europe will remote herself only if she

wishes to do so.' It is impossible not to agree with this dictum: however, what is of importance is the method whereby it is desired to achieve European unity, and this applies particularly to the regional method.

### **Institutional Principles of the European Economic Community**

It is useful to recall how economic theory—from classical doctrine to the neo-classical school, and reaching as far as the arguments propagated by economic liberalism which now pervade the European Community institution—constantly appears to have overlooked the spatial factor, reducing it to a function of time, at once indefinite and deprived of a point of contact. Economic, territorial re-balance was held to be 'endogenous' in the capitalist system.

By definition, this process afforded no sustenance to the category of undeveloped areas.

This under-validation—implicit in the theories of free competition, perfect freedom of movement of productive factors, marginal utility of production, and of the individual propensity towards immediate consumption or saving, and bound up in synthesis in the theory of general economic spontaneous balance—had historical and ideological roots which need to be uncovered. It continually pushed back in time the verification of how far the process of economic development corresponded with social interests, which are more immediately evident if the examination is made on a territorial basis in terms of location.

Even today, many years after the Treaty of Rome, when the transitional period has come to its end, we cannot neglect a serious historical verification of the concrete expression of the transitory phase itself and of the steps leading up to the goal of monetary unity.

The gradual creation of the European market brought with it agreement in forms of waivers and aid of a regional nature (as laid down in the institutional Treaty), and furnished fresh assumptions and stimuli for modifying marginal economies, so contributing towards breaking market revenue and smashing pre-capitalist productive forms and ancient situations of social inertia. Nevertheless, it consisted by and large in a liberalisation of the movements of productive factors, and of the exchange of goods and services, which in fact favoured not so much re-balance and economic and social integration in the European context as a spatial concentration of productive plants and commercial relations, based on the sharpened utilisation of 'external economies' that often went hand in hand with the technico-economic and financial concentration of the enterprises.

Of the two reasons which gave purpose to the setting up of the European Common Market, the one reflecting free competitive exchange, the other economic integration, it is the first which, historically, has prevailed. Free competition has been purely understood as a regime to be respected, as well as a system for controlling and ordering things by means of an organic, regional policy, which would thus eliminate territorial imbalances that in turn mirror social injustices.

### **Structural Problems of the EEC**

At a rough estimate it can be said that comfortably more than two-thirds of the total production of the countries forming part of the enlarged Community are to be found concentrated in an area bound by Manchester, Hamburg, Paris and Milan, with the main sources being 'Greater London' and the Midlands, the basins of the Ruhr and the Seine and the upper Paduan valley (these comprising less than a half of the Community's population); meanwhile there is a steady intensification of this process of gravitation and of the relative worsening of economic conditions in the peripheral areas.\*

Notwithstanding the policies of re-balance conducted by individual national states, there has lately been increased evidence of the phenomena of territorial densification of productive activity on a European scale, expressed in industrial terms rather than urban settlement. The

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\* Reference is made first and foremost to the analysis carried out on the occasion of the first European conference of Ministers responsible for territorial order (organised by the Council of Europe in 1970).

accentuated rhythm of economic development, which has meantime been verified in global terms in virtually all European countries during the 'fifties and 'sixties, has found expression in the persistence or the worsening of territorial imbalances. At the same time—within national states—there has been a gradual ripening of political and social conscience regarding the existence of these self-same imbalances and of the overriding need to correct them.

The protraction of present spontaneous tendencies would certainly involve a disruption of social and individual economies in those areas characterised by the concentration of productive and residential activity, as well as an under-utilisation of the resources of those areas placed on the periphery of the economic system, and this would cause more and more decay in historical and environmental values.

It is therefore necessary to avoid a series of provisions which amount to mere assistance or economic 'subsidy', which would only prove to be an indefinite burden on national collectivity and on the entire European collectivity, whilst at the same time there would arise a corresponding loss in productive factors. The main requirement—which must not be shirked—consists in extending and diversifying the production and commercial base of Europe, and this can be achieved by developing and integrating marginal situations.

Such an evolution would indeed furnish multiple opportunities for investments in undertakings requiring energy, and in financial stocks accumulated in the progressive areas, and would moreover correspond to a broadening of economic exchange with the outside world. In addition, the broadening of exchange would make itself felt in many directions, both as regards eastern countries and countries in course of development in the Mediterranean basin, so that the present peripheral areas would be enabled to assume connective functions. Finally, such a policy, if carried out, would furnish a decisive contribution towards solving the problems which typify situations where there is a high productive and urban concentration and which do not seem capable of solution solely by public measures of internal 'rationalisation'.

The essential criterion should be to ensure a shake-up and displacement of infra-structural, productive and residential investments, so that they conform more closely to the territorial distribution of available labour and population, or, in other words, there should be a movement of capital and enterprise in

the direction of human resources which is able slowly but surely to reduce the rate of great national and international migrations.

In this respect the importance assumed by the peripheral areas, amongst the various areas as a whole, is quite clear, and it is here that economic underdevelopment may be seen in its most complex and grave terms: that is to say, in the most extensive territorial and demographic proportions, accompanied by weak productive infra-structures and structures with low average levels of income per inhabitant, and marked by an availability of unused labour and an exodus of the population. This is particularly the case in the south of Italy where the labour pool is at a steady maximum.

Faced with situations containing this kind of peripheral problem, whether on the national or the European level, people show their concern in qualitatively different ways, and this applies not only to some internal frontier areas but also to depression spots which are cut off from the main existing poles and axes of growth. This evaluation likewise embraces some areas where, above all, there arise problems of industrial re-conversion, from which, for that matter, the weak productive apparatus of economies which have remained by and large isolated is today not exempt.

#### **Development Factors in the European Economy**

A new policy of expansion and of territorial re-balance in the European economy emerges under certain favourable conditions. In point of fact, having regard to what occurred in the years immediately following the war, when reconstruction and the siting of industrial plants were effected in the same places, and bearing in mind the reconstruction of the great axes, whether traced by river, rail or road, with the subsequent dislocation of productive and residential activity in the principal basins, certain factors are encountered which bear a new stamp.

These factors—the character of which is concerned with location—are profoundly different from those which gave assent and guidance, in Great Britain and in 'Lorraine' Europe, to the first and second industrial revolutions, based as they were on coal, iron and electric energy.†

These factors today impinge on the complex reorganisation of the European economy, and include technico-economic modifications in the production and supply of raw materials and energy (oil and natural gas), as well as general

progress in the means of bulk transport (mainly by sea and by container), the territorial decentralisation of basic productive activity, and improvement in socio-cultural information channels. We are naturally dealing here only with 'positive' conditions, whose concrete effects are dependent on programmed planning.

Of particular significance is what has happened, and could happen, in the field of oil and natural gas (whilst recourse has not yet decisively been made to nuclear stations, which are less subject to the restrictions of location). The European maritime regions of the Mediterranean basin, which are close to the fount of these resources of energy, have primarily become centres for long-distance despatch and process of these self-same resources apart from utilising themselves on a 'local' basis for directly productive ends. With the advent of the recent oil crisis, and the systematisation of commercial relations between producing and consumer countries, the price rises and the slackening in the rhythm of production of the goods in question, could well be triggered by motives linked to new underestimates of the historical demands of these regions, and all this despite the possibilities now offered by the re-opening and widening of the Suez canal.

Considering the changed prerequisites of industrial development that now face it, the Mediterranean basin must reverse its role and be conceived as a 'location' that cannot be ignored, a vital new frontier of the entire present European economic system, which so far has been characterised by the prevailing pull coming from the Baltic Sea and the North Sea. This concession is not restricted to the southern section of the European Common Market; still less does it include the full participation or associative support of European Mediterranean countries where anti-democratic political forces persist. The question is not one of counterposing national interests in the community framework, according to these current in France and also in

† It is pertinent to recall that, in modern times, the critical centre of the European economy has shifted steadily from the Mediterranean basin to the Atlantic seaboard, corresponding with the growth of the United States and with the decline of those states situated in the Near East and in northern Africa. In our own day and age, the Mediterranean areas, less favoured by the factors in the first and second industrial revolutions as compared with the European areas to the centre and north, have witnessed a worsening in their own relative position, with a consequent moving away of traffic that the opening of the Suez canal could not suffice to halt.

Italy, by vague socio-cultural justifications, but rather one of unified construction, an act designed to involve everybody in the enlarged Community (including Great Britain) and to stabilise interdependencies by modifications in the economic structures, as well as modifications in the political regimes of outside European countries.

In this connection, due weight should be given to the recent initiatives on the part of the European Community, aimed at growth and diversification in the undertakings already started for liberalising industrial and agricultural exchange amongst member countries and those sharing a common coastline along the Mediterranean, and for furnishing financial and technical aid.

These initiatives involve the definition of the energy question (by means too of agreements with the Middle Eastern countries that have no seaboard), so as to guarantee regular oil deliveries to the European economy whilst respecting the legitimate interests of the producing countries. Above all, such initiatives render even more evident the need for a regional policy in the internal European framework, with clearly stated issues that are in harmony with Mediterranean policy, with special attention paid to the prices of some agricultural produce and to the local conveniences offered to industrial enterprises from the various viewpoints of manpower and the availability of energy.

#### **Attitudes of National Governments**

At the beginning of 1971, at the end that is to say of the first phase in the life of the European Economic Community, a start was made on bringing about monetary unity. This perspective was linked, however, especially by Italy, with the adoption of concrete actions that would be capable of tackling the structural problems of the European economic system, for the most part of a regional nature, which have so far been discussed here.

Since then, as is known, there has been a series of delays, waverings, and painful incidents on the road to monetary unity; the oil question has provoked even clearer cleavages; uncertainties and contrasting opinions have progressively been made manifest along the path of traditional policies, especially in agriculture; no operative decision has as yet been taken regarding regional policy, despite the precise provisions laid down by the Council of Ministers.

It is interesting to examine, albeit briefly, the attitude and behaviour of individual states in regard to the efforts made by the Community Commission

to arrive at a supranational regional policy which would not prove just a damp squib, compounded of a statement of principles, with a modest role being played by the European Investment Bank (and limited at that by available funds and the normal credit market), but which could be of real value by setting up, amongst other measures, a 'fund' for financial aid, on the understanding that such a fund would be an appropriate and qualifying instrument.

The discussion in depth proved inconclusive, despite the fact that it was inordinately long, in respect of practical intentions.

The initial rejection by the French Government was not really occasioned by the vagueness of the final terms or by the imprecision of the modalities that would be operative in the proposed instrument, but rather by concern about not obtaining 'a fair return' on the resources eventually made available, if for no other reason than for modest rating. This refusal was indeed governed by reasons of an eminently politico-institutional nature, in which were to be found the most intense and sustained expression of the varying clashes of interest in the European context, which gainsaid any modification in the direction of a supranational order. There was in point of fact an awareness that regional policy above all, if strictly conceived, would entail the validation of the European significance of problems in determined areas, and of a truly supranational power capable of correcting the working of the economic machinery. Instead, there was a switch of intention so as to prepare the national and European economy to meet the competitive challenge emanating from the United States, and this was expressed in terms of productive and market efficiency and the adoption of monetary measures, with however no hint of prejudicing the structure, the accumulative process and the distinction of capital funds which go to make up the European economic system.

The Gaullist referendum on regional order seemed to indicate the beginning of a change, as it modified the practice of prefectorial government and pure rationalisation 'concerted' in the national economy. In reality, this referendum had other motives; beneath its expressly regional profile could be discerned an attempt to counter the political awakening in the Parisian zone, that generating force in French history, which in May 1968 had seemed to be imbued with fresh life, by the organised weight of a more conservative periphery. A stable, national articulation was set up against the prospect of a supranational Europe.

Nevertheless, 'décoloniser la province' does not signify a mere administrative decentralisation of the traditional Napoleonic order, bereft of political autonomy. As the recurrent announcements of prudent institutional reforms indicate, the 'question régionale' is more than ever, as raised by Gravier, an open one: nor is this question to be solved indeed by separatist attempts (as the central government today seems to fear), nor is it exhausted in the theme of 'Paris and the French desert' and in the accelerated alignment of the southern and south-western regions in the national framework. The positions erected by the French Government on the community sector have represented a last-ditch stand rather than a new frontier.

There is likewise evidence that Great Britain too would dearly love to build a similar trench, although in this country there are apparent remarkable signs of a decline in the productive apparatus, and there is a progressive sharpening of the imbalance between the peripheral regions and the regions of the south-east, the latter falling more and more under the economic attraction of central and northern Europe. In Great Britain, the traditions of local self-government—deeply rooted as they are in national history—and the general diffidence regarding community building, have slowed down but not impeded the awareness of regional imbalances of a structural nature in the European economy, the solution of which is clearly incompatible with the interests of the conservative layers of society and with the narrow 'isolation' of the working classes. Meanwhile, the example of a different European economic system has involved Eire more and more into facing the complex reality of her insular position, and not only as regards the relations between her internal and coastal areas.

An even closer evaluation is needed when it comes to considering the evolution of the German theses. In Federal Germany, where relevant regional disparities are not so much in evidence, if note is taken of the post-war line of demarcation with the eastern countries and of the territorial limits between the Baltic sea and the North Sea, there would seem at first sight to be a favourable case for the concrete erection of a supranational regional policy. There has in point of fact been some attempt to compensate for the lukewarm attitude in respect of the eastern countries, and, at the same time, to avoid excessive urban and industrial attraction (principally in the Ruhr basin), and inflationist outlets, by giving preference to investments of available capital in those

regimes of the European Community which are characterised by a steady pool of labour. But this propensity has later appeared to be transformed into a mode of political negotiation, given the more autonomous attitudes of other states, members of the same Community, in the course of the monetary, energy and productive crisis.

Belgium and Holland, as for that matter the Scandinavian countries, have appeared more inclined to make restricted concessions—though they are not negligible—concerning certain regional themes; such as those dealing with regions with special ethnic characteristics, with clearer demands for physical systemisation and industrial reconversion, and with the possibility of frontier readjustments; or with specifically Scandinavian and Nordic regions, whose surface area is extensive, but where the population is sparse and scattered. Less attention has been devoted to the risk of a definite consolidation of European economic growth along the axes of the Rhine and the Rhône (extending from the great industrial port of Rotterdam to the installations of Marseilles-Fos), and the tendency is for this phenomenon to be further backed by treaty and by intermediate and frontier arrangements.

There has by and large been no real appreciation on the European level of the present significance and the potential rôle of vast marginal areas in Italy, Great Britain and Ireland, in which there is now a marked fall in employment or where employment is barely productive in terms of the labour force, and where the phenomena of economic underdevelopment are more and more evident. The disappointing results of national policies in favour of these regions, which are still pursued, with the particular example of the insufficient rhythm and dynamism displayed in the south of Italy, are blamed not only on preponderant and uncontrolled European tendencies and distortions but are even turned into the responsibility of individual states.

Finally, there has been no serious tackling—let alone a clear and lucid understanding—of the problems imposed by a regional community policy, and by a policy in respect of outside countries which are still in course of development and which form part of the Mediterranean basin.

### Essential Criteria for Regional Community Policy

Notwithstanding the differences in national behaviour, set down here in synthesis, the energies in Europe are of a

multiple and growing kind, which can form the base for a regional strategy to give added strength to the historical reasons urging forward the process of unification.

Once the necessity is made plain to distinguish the various regional problems obtaining in every national economy from those of pre-eminently European interest, a new community strategy should rely in the first instance on its own instruments of regional action, which can be defined as follows:

- the setting up of a relevant Committee at a high politico-technical level, capable of administering regional policy itself and giving guidelines for the entire activity of the Community, which will preferably be in contact with the Commission, that is to say with the supranational organ *par excellence* (as against the Council of Ministers, in which national interests are for the most part represented);
- the efficient co-ordination in regional terms of operations connected with the special existing funds (FEOGA, the Social Fund, the CECA Fund);
- the constitution of a new fund, to which allusion has previously been made, whose financial resources, growing with time, should in large measure be destined to assisting actively in the financing of infra-structural investments and industrial enterprises of pre-eminently European interest;
- broadening the availability and the entitlement to regional action of the European Bank of Investments for various finance operations for which hitherto there were no facilities;
- the creation of a relevant European finance company which would provide as a partner the necessary risk capital for industrial undertakings, so integrating the functions of analogous national institutions.

In the long view, an evaluation will have to be made of the opportunity for introducing further instruments which can permit regional community action to cross the confines of mere financial grants and engage in productive activities: in particular, in the handling of public concerns as well as the control of the more important industrial locations, as envisaged in the first medium-term community programme and operative, with varying modalities, in France, Great Britain and Italy.

A course, however, will have to be followed which, while taking into ac-

count infra-structural functions, permits member states to avail themselves of their own means of financial incentive for industrial initiatives (including here financial accommodation for management), which will prove adequate for the requirements of the regions in which economic underdevelopment bears structural characteristics.

### Relations Between Regional Policy and Other Community Policies

The solution to the grave obstacles that have become apparent in the regional construction of the European Community will not, however, be guaranteed by the exercise of the instruments of regional action in its narrow sense, of which mention has earlier been made (including the new 'fund', a hotly debated topic). Such a solution will first and foremost require well considered policies on the part of the member states, based on the following points: use by a directly elected European parliamentary representative body; strengthening of other forms of democratic participation; liaison with the senior officials of local authorities and trades union organisations, who should be responsible interpreters of new interests in general.

A decisive factor will be the participation in the world of the Community of trades union organizations, since it is they who are concerned not only with the defence of existing jobs but also with eliminating the more or less extensive areas of unemployment or underemployment, and with levelling out the differences in income and standard of living. In this way, within the European framework, there will evolve a social reason, speaking with one voice on regional and trades union action. And, in this respect, the choices made by British trades unionists—and by the political force of the Labour Party which represents them—will be able to exert a special influence when it comes to the question of an overall democratic reinforcement of the European Community.

Consequently, the possibilities of overcoming present difficulties, and of moving forward to a balanced and stable evolution, will depend on what decisions the national governments and the Community organs are able to take in order to link the search for monetary balance with the prosecution of a policy aimed at supporting agriculture, and an industrial policy aimed at reforming existing productive structures.

In the light of these latter profiles it is clear that regional policy has direct bearings on the whole economic community strategy, and now becomes a

basic criterion for verifying and orientating in a regional direction the same general and sectoral actions. In order to ascertain territorial requisites for setting into motion distinct actions, these require to be taken together in their setting as a whole so as to eliminate the most far-reaching territorial imbalances.

The later liberalisation of the European capital market could by itself accentuate the process of technico-economic and financial concentration of enterprises, and the regional distortions in the European economy. In other words, there could be an intensification of the spontaneous tendency of capital to search out the possibilities of maximum and immediate profit, regardless of overall social conveniences; accordingly, there would be a shift of capital towards enterprises which, in the short or medium term, offer higher rates of profit at the moment in the outside economy. Such factors are in a position to determine the immigration of working people precisely because of the excessive density of productive and urban installations, and these factors in turn are still, however, subject to sudden crisis and to national and international recessions.

In the past, the attention of the Community authorities has been drawn to the market tensions and to the cost of labour in the most advanced areas, whilst the risk has now crept in of a return of hundreds of thousands of emigrants to their country of origin because of the energy crisis and the crisis in production. The effective solution to these tensions requires not merely provisions of control and rationalisation of the labour market itself, in the area of maximum attraction of manpower, but a territorial and qualitative diversification of investments on a European scale.

On the other hand, the prospect of balanced expansion and of internal integration of the European economic system, as yet only feebly sketched in terms of regional policy, and in fact contradicted by the main Community policies, has been rendered yet more uncertain by the vicissitudes of monetary union. But since a way must be found for overcoming the obstacles which have emerged, and for settling the differences in attitude of the member states, it needs to be borne in mind that solutions which appear neutral, but which adhere in substance to the time-honoured procedures of capitalist accumulation, industrial production and effective demand, could well freeze or even increase regional inequalities.

With these possible eventualities to

be taken into account, there is a need to establish the validity of the following principles: (a) it is not possible to achieve and maintain the stability of monetary unity, both in the medium and long term, whilst leaving unaltered deviations and lacerations in the economic body as a whole; (b) the gradual elimination of regional imbalances does not necessarily imply a sustainment of demand of an inflationary kind, nor does 'deficit spending' by member states inevitably have an inflationary outcome; (c) monetary balance can be achieved by means other than those of a restrictive policy which is exclusively concerned with price stability. On the contrary, monetary policy—as well as credit policy—can provide a real foundation for monetary stability, not by applying the brakes, but by setting into motion unused resources and potential demand in the underdeveloped regions. In many respects, the validity of this line of approach is bound up with the promotion, as against private consumption, of social undertakings of benefit to the national income.

As for agricultural policy—which till now has in the largest measure absorbed the financial resources of the Community, and has remained extremely subject to the pressure of corporative interests exercised by some member states—the question should not be overlooked that there exists a mass of structural conditions which place the poorer regions in an opposed situation and in a situation apart.

In point of fact, the frequent and indiscriminate provisions of support for the sale price of produce have had unsatisfactory results. On the other hand, the attempts being made today to stem inflationary processes, by controlling in the main the movement of prices of certain agricultural produce (including Mediterranean crops), have not been effective and could even end up in doing actual harm to the less developed regions, given their present overriding rural character. Accordingly, if there is to be a fair and just prospect at the present time, demand for agricultural products must perforce be considered as 'non-elastic', having regard to Community attitudes whether in terms of the sale price or of the returns to the food consumers.

The whole range of finalities for physical systemisation has likewise proved inadequate, including the measures for the extensive reorganisation of agricultural activity and for removing the unproductive labour force from the land.

If we consider both the lines of

approach alluded to, there can be no doubt that, in the less developed regions, the farms are few and far between which are capable, in similar periods, of attaining 'comparable returns' with those of the intensive production typical of other European areas, or even of activating valid and extensive changes in the mode of production. So there remains a chronic under-utilisation of the labour force, a void in communal engagements that can only be filled by a new policy which is designed to enable the less favoured, and more peripheral, rural scheme of things to have its share in the urban and industrial dynamism of our times.

Although Mansholt has recently recognised that he somewhat undervalued the expenditure needed to exploit cultivable land, as well as the returns of agricultural production in Europe, the determining rôle continues to be exercised by the industrial processes. Whilst it remains necessary to provide an overall correction in infra-structural endowments, and in the criteria governing measures of financial aid to initiatives undertaken by entrepreneurs (by means also of the setting up of the new regional fund), attention is now, above all, switched to multinational enterprises.

The commercial pressure of United States heavy industry should indeed not be neglected, neither should the consequences be overlooked of American penetration, both technico-economic and financial, into the European productive apparatus. The revision of behaviour of this overwhelming force in the world economy in respect of the South American continent is of some significance: first, in terms of contrast with external customs tariffs, and then with regard to the interventions in internal production. Furthermore, many processes of capitalist concentration can only be reversed with difficulty; some academic experts go so far in their study of the question as to discover in demand a supporting and driving rôle which could only be explained by the oligopolistic forms of the market, having regard to the factor of under-consumption which is inherent in the capitalist system, and which is constantly under attack by economic thought of Marxist origin.

Nevertheless, the results obtained by the localisation of multinational enterprises (in terms of basic industries) have been misleading, bearing in mind the high intensity of capital and the enormous size of the market, facts which have been verified concretely in many peripheral and economically underdeveloped areas in Europe; disappointing and misleading, that is to say, not in terms of convenience and farm profits

and of national or international market outlets, but in terms of the effects on the initiatives launched by entrepreneurs and on the expansion of employment, of industrial and urban organisation, and of social interests. The theory of the 'motivated enterprise and the motivated region', which was elaborated by the French school in the post-war years, has had no practical effect.

It will accordingly not suffice to regulate the competitive entry of United States productive capital into the Community framework, at the same time promoting the localisation in peripheral areas of multinational enterprises (be they European or extra-European), in the hope of setting up a chain reaction for encouraging other local initiatives by entrepreneurs. The public control of such enterprises, mentioned above, and in like manner of all oligopolistic market forms, should be mandatory within the Community. It is essential that their orientation should be towards differentiating between production and consumption on an adequate scale, so as to respond not to the interests of this or that region, or of social strata who have enjoyed historical privileges, but to the new requirements which arise through the restructuring and the global expansion of the European economy.

Some importance, finally, will be attached to the decisions taken in favour of harmonising—or making 'transparent'—the financial incentives conceded by member states for reconverting or for promoting industrial initiatives.

The incentives in question have different reasons, and their effects are at times contradictory, between one individual area and another, bearing in mind the fundamental final aims which should inform European regional policy; these are often translated into mere financial benefits for the major enterprises. Provision has already been made to limit incentives in the regions of central Europe to a 'ceiling' not higher than 20 per cent of the locked up funds of individual interested enterprises. It is evident that a continuance of such a Community course of action in respect of economically underdeveloped regions will have to be stringently subordinated not to traditional rules of free competition, which are falsely conceived as neutral, but to the real activation of politico-economic options as delineated earlier.

In the measure that a progressive solution takes place of fundamental imbalances, this last course of action demonstrates more clearly than others the narrow and tight connections existing between the transfer of national

decision-making powers to supranational organs and the assumption of precise, active responsibilities on the part of these selfsame organs, as well as those between regional policy and overall Community policy.

#### Conclusion

We are still awaiting the existence of an adequate supranational voice in Europe, of a complete and robust institutional organ; so far there are a number of premises, laid down by the constitution of the European Economic Community and by its extension, and a number of relevant points and lines of approach, which people are now seeking to put into solid order.

Notwithstanding the principles of 'harmonious and balanced growth' and the additional protocol in respect of the South of Italy (contained in the Treaty of Rome), there has never been a concrete application of a regional policy by the European Economic Community; this, more than any other measure, has evoked opposition on the part of conservative forces.

It is, however, precisely this policy which is bound up now and in the future with the prospect of a new Europe, in which the creation of a supranational power corresponds with democratic participation and with a real and genuine change in economic and social structure.

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## SOCIAL DEMOCRACY IN THE THIRD WORLD

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### The New Socialist Party of Madagascar

*At its meeting in London on 9–10 December 1972, the Bureau of the Socialist International decided to suspend membership of its then Malagasy member party, the Parti Social Démocrate de Madagascar (PSD); it also decided to recommend that a new party, the Union Socialiste Malagasy (USM) should be admitted to full membership of the International. On 10 March 1974, the USM and PSD merged to form a new party, the Parti Socialiste Malagasy, whose General Secretary is André Resampa, and whose President is Philibert Tsiranana, former National President of the PSD and former President of Madagascar. On that occasion a declaration was issued which we are publishing below. The Parti Socialiste Malagasy was recommended for full membership of the Socialist International by the Bureau at its meeting in Rome on 8 June.*

The new Malagasy Socialist Party resulting from the merger of the Parti Social Démocrate and the Union Socialiste Malagasy is a party of the left pursuing a policy of democratic socialism.

The Malagasy Socialist Party is proud once again to have among its leaders two of the greatest men in modern Malagasy history: Philibert Tsiranana, first President of the Malagasy Republic, father of independence, and André Resampa, former first Vice-President of the Malagasy Government, head of the delegation which in 1960 negotiated the return of national sovereignty.

Separated for a time by the malevolence and calumny which we all regret, these two champions of socialism in Madagascar have again formed a team which appeals to all Malagasy socialists to rally their forces and work together in a spirit of fraternity for the development of our country and for the consolidation of our national unity around these two great national leaders.

Faced with difficulties of all kinds and the danger of inflation which threaten the common heritage of the Malagasy

people, the Malagasy Socialist Party, contrary to certain unfounded and malicious allegations, has no intention of confining its role to that of sterile opposition.

On the contrary, it offers the Malagasy people, the political parties and all the vital forces of this country the following minimum programme:

#### In the Political Field

‡ The Malagasy Socialist Party demands the formation of a government grouping leaders of political parties of national importance, technicians and military personalities.

‡ This provisional coalition government will, in accordance with the Provisional Constitution, undertake the rapid framing of a final Constitution, which will lead the country out of a provisional situation which has gone on for too long.

‡ This government will guarantee freedom of voting in the elections arising from this final Constitution.

‡ This Constitution will provide for the election by universal suffrage of a President of the Republic elected for four or five years who will only be eligible for re-election once.

‡ This would prevent one man from aspiring to be the head of state his whole life long and from being President for life.

‡ The Government will be led by a Prime Minister.

‡ Parliament will consist of a single Chamber of Deputies, also elected by universal suffrage.

‡ An Economic Council will, however, be set up.

‡ The authentic representatives of the sovereign people thus democratically elected will define the general policy of the country, which need not necessarily be the policy pursued by the present Government.

‡ This recourse to popular sovereignty will soothe feelings, allay the present general discontent and consolidate our national unity.

‡ It must be preceded by the release of and an amnesty for all political detainees, in order to bring about popular enthusiasm in all areas, which is an essential factor in our recovery.

#### **In the Social Field**

In the field of education, the Malagasy Socialist Party envisages the temporary return to former programmes of higher, secondary and primary education.

At the same time the National Council for Education provided for in the Provisional Constitution will be quickly brought into operation.

This National Council for Education will study the process of Malagasisation of education, facilitating the confrontation of all tendencies and all shades of opinion.

This will put an end to the present process of trial and error and will enable our education system to evolve in a normal and desirable manner.

To obtain qualified teachers we shall appeal to a certain number of French-speaking countries (France, Belgium, Canada, Switzerland, etc. . . ).

Our educational standards will thus be maintained at an international level. And in anticipation of the enrichment of a Malagasy language, French will be used as the language of teaching.

This will prevent whole generations from being sacrificed.

In the field of health, in view of the present shortage of Malagasy doctors, we shall call upon foreign doctors.

In the meantime, we intend to promote the training of Malagasy doctors at the University of Tananarive, providing them with appropriate facilities and qualified teachers.

In the field of employment, all efforts must be directed towards the creation of jobs in order to counter the present unemployment problem, which is becoming a source of increasing anxiety.

Thefts of cattle, which are a veritable social scourge, will be combated with the greatest of vigour.

The wages and salaries of state employees will be adjusted to the increase in the cost of living.

#### **In the Economic Field**

In this field the policy of the Provisional Coalition Government will be to restore confidence in all sectors of our economy—in order to promote national and foreign investment.

In other words, the state and government-controlled economic structures will coexist peacefully with the sector in which private initiatives are indispensable.

The whole will be co-ordinated and allowed to develop within the framework of a plan properly prepared and executed by competent, well-chosen people.

Our agriculture will be mechanised at the expense of the old methods of cultivation.

#### **In the Monetary Field**

The Malagasy Socialist Party proposes new negotiations with the authorities of the Franc Zone with a view to reaching solutions similar to those devised by Ministers Albert Marie Ramaroson and Giscard d'Estaing.

This will safeguard our independence whilst at the same time affording us the foreign exchange necessary for the purchase of the equipment which is indispensable to our economic and social development.

The recent acute problems of rice supply will be solved without difficulty.

And the present sufferings of the common people will be gradually alleviated.

The shortage of rice and unemployment in particular must be eliminated as rapidly as possible.

To sum up, the Malagasy Socialist Party advocates the formation of a provisional government under the Presidency of General Ramanantsoa, pending the choice of the sovereign people expressed under a final Constitution through free and democratic elections.

For the purpose of these objectives, the Malagasy Socialist Party will take its responsibilities within a coalition consisting of political leaders of national importance, military personalities and technicians.

The Malagasy Socialist Party thus urges all those who really love this country to silence their personal ambitions and to work together for the harmonious development of our country in peace and a new spirit of conciliation.

Our national unity will emerge stronger and more real than ever.

Anything else would be mere adventure and decadence.

**For the Provisional Political Bureau:**  
Philibert Tsiranana *Party President*

André Resampa *General Secretary*

Samuël Ramilamanana *Assistant General Secretary*

Justin Randrianasolo *Assistant General Secretary*

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## ELECTIONS

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### **5 Seats Gained by Luxembourg Socialists**

The general election in Luxembourg held on 26 May resulted in massive gains for the Luxembourg Socialist Labour Party (a member party of the Socialist International) which won a total of 17 seats in the 59-seat parliament, therefore adding five seats to its previous 12. The Christian Social Party gained 18 seats and the Communists five, a loss of one. The Social Demo-

cratic Party which split away from the Luxembourg Socialist Labour Party in 1971 won five seats while the Democrats won 14. The new Government is a coalition of Democrats and Socialists, the latter having been in opposition since 1971. The President of the Government is Democrat Gaston Thorn and Vice-President is Socialist Raymond Vouel.

## Nordic Labour Leaders United

*The following statement of The Cooperation Committee of Nordic Social Democratic Parties and Trade Union Confederations was adopted at its meeting in Obbnaes, Finland, on 5 May 1974.*

The Nordic Cooperation Committee of the Trade Union Confederations and social democratic parties discussed the situation of the democratic labour movement after an introduction by Olof Palme. We note that the social democratic ideas still represent the strongest political force in Western Europe. They have played an important part in the development of the Nordic welfare societies and have been the most important source of inspiration for the work for equality and democracy in our countries. The labour parties in Western Europe have together about fifty million voters and they are in government in eleven to sixteen countries.

The Nordic trade union movement and social democratic parties consider the democratic system as a condition for their policy of reform which has as its primary aim extended democracy. Both capitalism and communism imply concentration of power, bureaucratism and reduced influence for the individual. The Nordic social democratic parties

consider as their main end the transfer of power from the few to the many, equality between human beings and peace and detente between nations. A dynamic reform policy is in our part of the world the only possibility for the realisation of the social democratic ideas. The Nordic trade union movement supports these aims fully.

The Nordic Cooperation Committee welcomes with satisfaction that the trade union organisations in the Nordic countries and Western Europe have entered into close organised co-operation through the European Trade Union Confederation and the Nordic Trade Union Council. We find it necessary that the social democratic parties, in close contact with the trade union movement, enter increased co-operation. The Nordic Cooperation Committee instructs the secretariats of the respective parties to take concrete steps to build closer co-operation between the social democratic parties in the North and Western Europe.

hoefer, Secretary of State for Research and Technology.

The Bureau will again discuss joint action with the ICFTU at its next meeting to be held in London on 14-15 September 1974.

### Portugal

The Bureau heard a detailed report from Tito de Morais, member of the executive of the Portuguese Socialist Party, on developments in Portugal which led up to the restoration of democracy. The Bureau approved of a programme of support for the Portuguese Socialist Party as recommended by the Portugal Committee of the Socialist International which had met prior to the Bureau

### Extraordinary Bureau Meeting

The Bureau decided to hold an extraordinary meeting in London on 26-27 October 1974 to discuss the future policies of the Socialist International.

### Greek Committee

On Sunday, 9 June, the Greek Committee of the Socialist International, chaired by Bruno Pittermann, met to hear a report on the situation in Greece by Charalambos Protopapas, Chairman of the Greek Social Democratic Union. The Committee was also informed by Relus ter Beek, International Secretary of the Dutch Labour Party, of preparations for an international conference on Greece to take place in Amsterdam in November 1974.

### Chile Committee

The new standing Committee on Chile of the Socialist International held its first meeting in Rome on 7 June at which Judith Hart, member of the National Executive Committee of the British Labour Party and Minister of Development, and André van der Louw, Chairman of the Dutch Labour Party, were elected as Chairmen of the Committee. Jenny Little, Acting International Secretary of the British Labour Party, was elected as Secretary. The Committee heard a report from Carlos Parra, International Secretary of the Radical Party of Chile, on the situation in Chile.

### Message to Unidad Popular

The Bureau sent a message to the Rome Headquarters of the Chilean Unidad Popular expressing their full support and solidarity with the struggle of the Chilean people against fascism and for the restoration of democracy and human rights in Chile.

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## THE SOCIALIST INTERNATIONAL

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## Bureau Meeting in Rome

The third Bureau meeting of the Socialist International this year was held in Rome on 8 June at the invitation of the Italian Social Democratic Party in order that member parties could commemorate the 50th anniversary of the assassination of Socialist Giacomo Matteotti in 1924. The following member parties of the Socialist International took part in the meeting: the Socialist parties of Austria, Belgium, France, Italy and Portugal; the Social Democratic parties of Germany, Italy and Sweden and the Labour parties of Britain, Israel and Malta as well as the Radical Party of Chile. The International Council of Social Democratic Women was also represented as was the International Confederation of Free Trade Unions (ICFTU). The meeting was presided over by Bruno Pittermann of Austria, Chairman of the Socialist International.

**Joint Action Against the Multinationals**  
The Bureau discussed co-operation with the ICFTU on the subject of multinational companies and decided to send a high-level delegation to the Working Party meeting of the ICFTU which was held in Geneva from 13-15 June. Victor Larock, a former Belgian Foreign Minister, was elected to represent the Socialist International. The following member parties of the International were also represented at the Working Party: the Swedish Social Democratic Party—Bo Elmgren, head of the Research Department of the party, and Carl Lidbom, member of the Swedish cabinet concerned with multinational companies; the Norwegian Labour Party—Ronald Bye, General Secretary; the People's National Party of Jamaica—Ernest Peart, Minister of Labour; the German Social Democratic Party—Hans Matt-

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# Giacomo Matteotti

Members of the Bureau, led by Chairman Bruno Pittermann, attended on Sunday, 9 June, a commemoration of the 50th anniversary of the assassination of Giacomo Matteotti, the Socialist leader, in the course of which Giuseppe Saragat, founder of the Italian Socialist Party and a Vice-Chairman of the Socialist International, and Bruno Pittermann gave addresses. The commemoration, which included the unveiling of a statue of Matteotti, was also attended by the President of Italy, Giovanni Leone, and by representatives of the Italian Socialist Party, including Pietro Nenni, another Vice-Chairman of the Socialist International.

Bruno Pittermann, at the commemoration ceremony, said:

*'We are celebrating today the memory of Giacomo Matteotti, the Socialist who was murdered, and we do so with great respect for a martyr in the cause of socialism, but also with some fears for the democracy in the cause of which he had to sacrifice his own life. It is not only in the home country of Matteotti, the Italian Republic, that there are murderous individuals who are ready to destroy the lives and freedom of peaceful citizens. Especially in Latin America, capitalist dictators have taken away from the people the freedom to live in the way that they choose, and have done this in order to ensure that they themselves have the freedom to exploit the proletariat, without limit, for their own profit. Such repression of the people is supported even by official bodies in the United States.'*

*'Not only the democratic socialist parties, but all democratic forces must unite here in the face of the danger of the resurrection of dictatorships in Europe and they must collaborate to prevent their return. The democratic parties outside the socialist camp must remember the example of the Chilean Christian Democrats who first welcomed the beginnings of a brutal military dictatorship, but who find themselves today totally without influence like the member parties of the Unidad Popular.'*

*'It is necessary that all European democratic parties give moral and mate-*

*rial help to strengthen the newly-won democracy in Portugal and they must similarly assist those Europeans who are still condemned to live under tyranny. The peaceful coexistence between European states will not be secure unless peaceful coexistence of opinions and the exchange of ideas on the territory of the entire European continent are guaranteed.'*

*'Giacomo Matteotti was murdered because he fought for freedom and for the establishment of democratic socialism. This crime has not prevented the Italian proletariat from rising against fascist dictatorship. Matteotti's sacrifice was an example for the new generation which will continue the struggle in his spirit. His sacrifice was therefore not in vain.'*

*'On the occasion of the 50th anniversary of the death of Matteotti European socialists renew their pledge to struggle for the freedom of the workers from exploitation and tyranny until human rights will be enjoyed by all.'*

Philip Noel-Baker, the British winner of the Nobel Peace Prize and a contemporary of Giacomo Matteotti, sent the following message:

*'I remember as if it was yesterday the fearful shock of Matteotti's murder, and the wave of world-wide anger that ensued. Not only Social Democrats, but all liberal and progressive people, felt that civilisation itself must be in danger, when the greatest of living Italians, and the greatest of Europe's statesmen, could be thus foully done to death.'*

*'We hoped that our Governments would all withdraw their Ambassadors from Rome, and that this ostracism would induce the great Italian people to drive the fascist murderer from power. We thought that should have happened when the League of Nations defeated his aggression against Corfu in 1923. But again our Governments did nothing, and Matteotti's murder was allowed to be the first milestone on the road of barbarous violence and cowardly appeasement that led us to the Second World War. After half a century, let all men now swear together: Matteotti's courage shall not have been in vain.'*

# SOCIALIST DIARY

## Zdenek Bechyne

The news has arrived from Czechoslovakia that Zdenek Bechyne, the Chairman of the Central Preparatory Committee of the Czechoslovak Social Democratic Party, which was temporarily revived in 1968, died on 17 April at the age of 69 at his home in Western Bohemia. His funeral took place on 22 April at the Prague crematorium. Son of Rudolf Bechyne, member of most of the prewar Czechoslovak Governments, Zdenek Bechyne served in the Czechoslovak army, formed first in France and then in England, and took part in military actions in Western Europe after the landing of the Allied troops. After the war he became an official of the Party in the Karlovy Vary District and sided with those who stood for the independence of its policy. After the Communist takeover he was soon arrested and spent years in prison. When the political conditions changed in the country in 1968, Zdenek Bechyne rallied around himself Social Democrats throughout the country and was the driving force behind the attempt to revive the Party's free activities. His name will remain forever associated with this remarkable attempt, which eloquently proved the strength of Social Democratic aspirations in Czechoslovakia and to which only the Soviet military invasion brought an end.

## Franz Jonas

Franz Jonas, who was the first labourer to reach the highest office in Austria's history, died aged 74 in Vienna on 24 April.

Socialist Franz Jonas was the fourth President since the post-war Second Austrian Republic was established in 1945. Until he was elected President of Austria in 1965 he had been Mayor of the City of Vienna. He had been educated mainly at evening classes and was a printer by profession. His re-election to the Presidency in 1971, when he was opposed by conservative Dr Kurt Waldheim, who later became Secretary General of the United Nations, was a

landmark in post-war Austrian politics as it was the first time that the President of the same party as that in power had been elected.

## New President of Austria

The Socialist Party nominated Dr Rudolf Kirchsclaeger, Foreign Minister of Austria, as their candidate in the Presidential election held on 23 June in which he was opposed by Alois Lugger, conservative Mayor of the City of Innsbruck.

## New Israeli Cabinet

The following are the members of the new Israeli Cabinet formed on 3 June:

*Prime Minister:* Yitzhak Rabin

*Foreign Affairs and Deputy Premier:*  
Yigal Allon

*Defence:* Shimon Peres

*Finance:* Yehuda Levinson

*Justice:* Haim Zadok

*Police:* Shlomo Hillel

*Labour:* Moshe Baram

*Education:* Aharon Yadlin

*Communications:* Avraham Ofer

*Agriculture:* Aharon Uzan

*Health:* Victor Shemtov

*Absorption:* Shlomo Rosen

*Commerce, Industry:* Haim Barlev

*Housing:* Yehoshua Rabinowitz

*Transport:* Gad Yacobi

*Information:* Aharon Yariv

*Tourism:* Moshe Kol

*Ministers without Portfolio:*

Mrs Shulamit Aloni, Israel Galili,  
Gideon Hausner.

Three portfolios—*Interior, Welfare and Religious Affairs*—traditionally held by the National Religious Party, are being held by other Ministers for three months while the NRP considers whether to rejoin the Government. Zadok will run the Finance Ministry until Levinson takes it over in three months' time.

## Kahn-Ackermann

The Chairman and General Secretary of the Socialist International sent a message of congratulations to Georg Kahn-Ackermann on his election as Secretary-General of the Council of Europe on 8 May. The other candidates were Mr Lujo Toncic-Sorinj (Austria) and outgoing Secretary-General) and Mr François Seydoux (France, Ambassador).

Georg Kahn-Ackermann, who will take up his official functions on 17 September 1974, has been a member of the German Social Democratic Party since 1946 and a member of the German Bundestag from 1953–57, 1962–69 and since December 1970. Mr Ackermann has been Vice-President of the Consultative Assembly of the Council of Europe since 1973.

## Madagascar

André Resampa, General Secretary of the Malagasy Socialist Party, visited the Secretariat of the Socialist International in London on 3 April, where he was received by the Assistant General Secretary of the International, Rodney Balcomb. Their talks which lasted one hour, ranged over the political situation in Madagascar in general, and the merger of the Social Democratic Party with the Malagasy Socialist Union in particular. This merger took place on 10 March of this year in Tananarive, the two parties merging to form the new Socialist Party, of which André Resampa was elected General Secretary. André Resampa gave further details about this merger, which will encourage the development of socialism in the Indian Ocean region. He presented on this occasion an application for membership of the Socialist International from the new Malagasy Socialist Party. (See also page 47.)

## Council of Europe

For the first time in twenty years a Social Democrat was elected again as Chairman of the influential Political Committee of the Council of Europe. He is Karl Czernetz, International Secretary of the Austrian Socialist Party and a member of the Bureau of the Socialist International. Karl Czernetz is also Chairman of the Socialist Group of the Consultative Assembly. The last Social Democrat to hold the chair until 1954 of the Political Committee was Guy Mollet, former First Secretary of the French Socialist Party and a former Prime Minister of France.

The British Labour MP John Mendelson was elected as Rapporteur on Portugal in the Committee on European non-member countries. In this capacity he will travel to Portugal to prepare a report for the Council's meeting in September of this year.

The Consultative Assembly of the Council, on 8 May, unanimously adopted the following resolution on Portugal:

### The Assembly

*Welcoming the removal of the dictatorship in Portugal and the initiative taken by the new authorities to restore democracy and end the colonial war,*

*Welcoming the fact that censorship has been abolished and that the political police has been disbanded,*

*Welcoming the announcement that a civilian government will be formed in the next few weeks and that fully democratic elections will be held within a year.*

*Underlining the importance of settling the future of the territories in Africa in accordance with the principle of self-determination and de-colonisation as expressed by the United Nations,*

*Looking forward to the adherence of Portugal to the Council of Europe,*

*Appeals to the governments of member states to provide economic assistance to Portugal in view of the fact that unresolved economic problems would endanger the newly-won freedom.'*

## Willy Brandt

The Chairman and General Secretary of the Socialist International issued the following statement on 13 May:

'The decision of Willy Brandt to vacate his office as Chancellor of the Federal Republic of Germany has

brought expressions of regret not only from Germany, but from many countries. Although the German Social Democratic Party will continue to profit from his chairmanship, men of goodwill throughout the world have been saddened by the departure from leadership of the Federal German Government of a statesman who has won the highest international respect and esteem. Willy Brandt has devoted his life to the cause of freedom, democracy, social justice and peace. His achievements have been very great. Having led his party to the position where it was able, after an interval of more than forty years, to participate again in the government of his country, Willy Brandt pursued with determination policies aimed at greater unity and co-operation in Western Europe, and relaxation of tension and better understanding between East and West, policies which have an importance and an effect far beyond the confines of Europe itself. It was the success of his Government's Ostpolitik which opened the way for the present conference on European Security and Co-operation.

'The Socialist International wishes to place on record its deep respect for Willy Brandt and its appreciation of his achievements, and to wish him all success in his future work in the political life of his country.'

## Ulf Sundqvist

Finland's Education Minister, Ulf Sundqvist—at 29, the youngest Cabinet Minister—has been called up to complete his national service. Corporal Sundqvist was elected to Parliament for the Social Democrats in 1972 after having served only six months of his nine months' service. Sundqvist has been replaced as Education Minister by Voitto Kallio.

## Cyprus

Following the news of the attempted coup d'état in Cyprus on 15 July, the Chairman and General Secretary of the Socialist International issued the following statement:

'The attempted overthrow of the President of the Republic of Cyprus is a violation of the sovereignty and independence of the Republic of Cyprus, a member of the Council of Europe and the United Nations.

'The vicious attack on President Makarios is another outburst of violence committed by the fascist Greek military. It represents a threat to peace in Europe and in the Middle East.

'We declare our full support for the democrats of Cyprus, defending their freedom and basic human rights against fascist aggression.'

The General Secretary of the Socialist International, Hans Janitschek, had talks with President Makarios while he was in London on 18 July. He also met Barbara Lyssarides, International Secretary and member of the Executive of the Cyprus Socialist Party whose husband is President of the Party. She had been captured and expelled from Cyprus by the fascist junta.

### Cyprus Socialist Party

The secretariat of the Socialist International on 16 July received the following message from the Central Committee of the Socialist Party of Cyprus (EDEK), conveyed from inside Cyprus by Dr Vassos Lyssarides, President.

'The fascist junta attacked today. Tens of our fellow fighters are dead or injured. We, the people of Cyprus, are determined to fight up to the last for our freedom and independence. We call upon all the democratic parliaments to declare their support for President Makarios and for our struggle. This is the time we need the help of our friends abroad. We believe that they will react at once. We need their full support in order to continue our fight. Long live President Makarios, long live our struggle.'