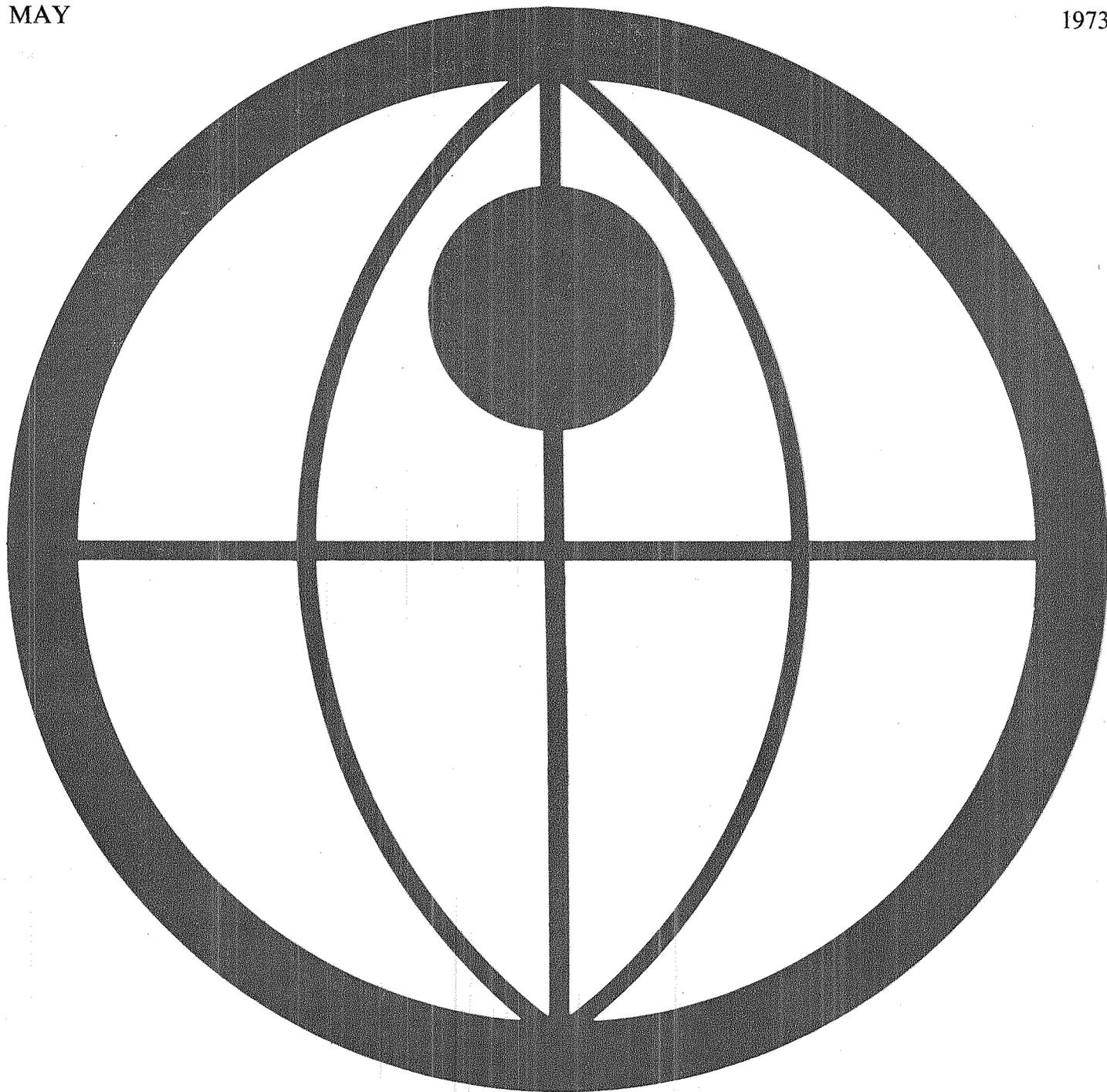


NEW EUROPE

MAY

1973

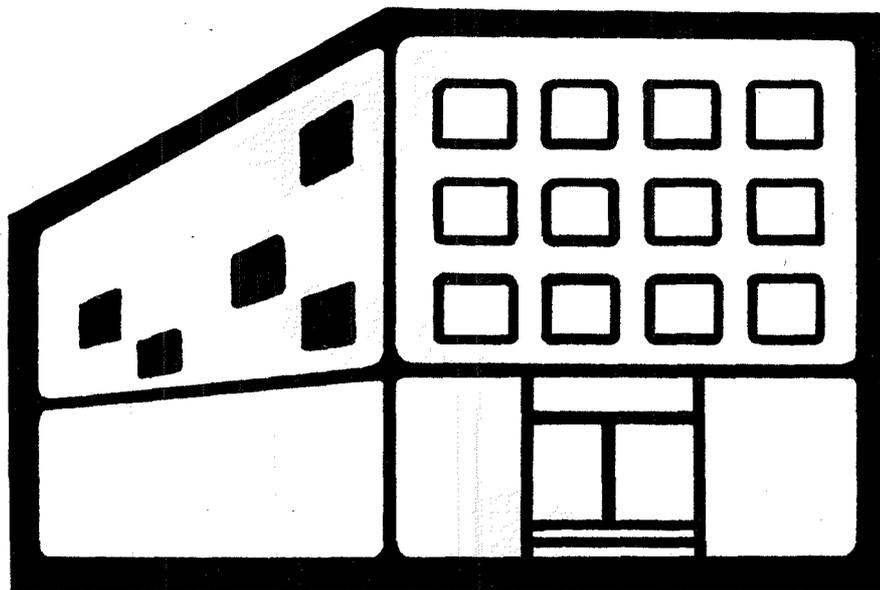


DEMOCRACY IN CRISIS ERNEST WISTRICH

SIR CHRISTOPHER SOAMES * WILLIAM WHITELAW * LORD GLADWYN

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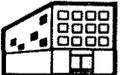


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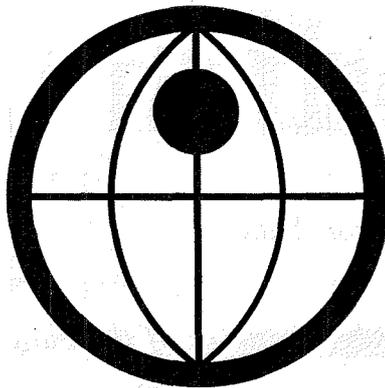
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Symbol of the Congress of Europe

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GETTING THE PRIORITIES RIGHT

IT would be idle to pretend that the new European Community has got off to a good start. The air has been filled with the shrill sound of domestic quarrels over such matters as heavy lorries and food prices, with the most unlikely British Ministers valiantly wielding their broadswords in Brussels. Much of this was inevitable; when any honeymoon ends, there are always certain unattractive realities to be effected. This, in the European context, is the reality of 'renegotiation'. Soon, however, it will be necessary for the Community to realise that the rest of the world will not remain in a state of suspended animation while the western European house is put in order. The symbol of the Congress of Europe, which appears at the head of this page, suggests a Community which is not only an organic entity in its own right, but also a part of the larger world. It is vitally important that in the debate which takes place in London in May, both these elements in the evolution of a new Europe should be clearly identified and vigorously pursued.

The first priority is to weld the Community into a unified economic and political force. So far the spirit of Europe has been conspicuously absent from the scene. The European American Conference in Amsterdam last month raised many of the old suspicions. British participants were heard to complain of French intransigence – an accusation which brought back poignant memories to the *anciens combattants*

and *mutilés des guerres* of previous engagements on the battlefield of enlargement. The older members of the EEC pointed out resignedly that the British behaved as they have always been expected to behave once they were in the Community. The French commented dolefully that the techniques of Kirk's Marauders had been imported to Amsterdam and expressed regret that the bar-room manners of the House of Commons were tending to disrupt the elegant calm of the European *salon*. The whole situation was summed up in the reply of a customs officer when asked by a returning British delegate at London Airport if it was in order for him to pass through the gate marked 'EEC Passports': "Perfectly alright, sir, as long as you don't mind being treated like a foreigner".

Another conference of a less elaborate kind took place in Nice a few days after the Amsterdam Conference. It was a meeting of an Anglo-French study group and its subject was Communications. Mr. Anthony Royle of the Foreign Office was present, as was M. Philippe Malland, the newly appointed French Minister of Information. The occasion brought together such improbable collaborators as the Director General of the BBC, the Rector of a French University, the Deputy Mayor of Nice and the Editor of *Punch*; but out of it emerged one clear message. It is all very fine to be discussing how Americans and Europeans should be talking across

the Atlantic, but we have a more urgent task. It is to ensure that Europeans are talking intelligibly to each other. In this issue of NEW EUROPE Lord Gladwyn puts forward his own blue-print for political union in Western Europe. It falls far short of the federalists' dream of "a European Government, subject to control by a European Parliament, directly elected, and with adequate powers to hold those who are entrusted with making decisions to effective account for their actions." But even the Gladwyn concept, modest and pragmatic as it is, will not be realised until Europeans have learned to use the modern instruments of communications with imagination and understanding. It is not so much the nation state which stands in the way of European unity. It is the syndrome of the national stereotype – the persistent 'distorting mirror' effect which emerges at its most frustrating in Anglo-French relations. Its most recent serious manifestation was 'L'affaire Soames' – but it was, almost certainly, not the last of its kind. It is therefore essential and urgent to begin the process of education which will lead to the elimination of such attitudes as that quoted in the article by Tom Spencer and Anthony Speaight on page 14. "Foreigners are different, so in Europe my point of view is bound to lose out".

This awful parochialism

Some of the responsibility for this process will lie with politicians and diplomatists, some with academics and educationalists, but the greatest challenge and the greatest opportunity lies with those who practice in the field of communications. Where is our European television service? It does not exist. We survive on a few specialised documentary programmes and such dreadful insults to the human intelligence as The Eurovision Song Contest and the appalling *Jeux sans Frontières*. Where is our European newspaper? Nowhere to be seen. The British national press carries hundreds of column inches on some irrelevant by-election in East Anglia and genuflects perfunctorily in the direction of the French national elections. The French national press, obsessed with the emotional problems of university students, remarks in five lines on an inside page that Mr. Brezhnev is to pay a visit to Washington. If the Congress of Europe can do something to dent the enamelled surface of this awful parochialism it will have earned its keep.

Determining the quality of life

Then comes the really difficult question. Having created a European Community, what is it for? Not, one might hope, for the greater glory of Europe; nor to increase the material prosperity of a society already sinking under the weight of its own obese affluence. Whatever might be the shape of the world's power structure in the 1980's, Europe will be an

important part of it. A tariff-free market of 300 millions will wield economic power and therefore political power, of an impressive kind. How it uses that power is a question which transcends all the arguments about federalism, direct elections, unanimity voting and the standardisation of mayonnaise. This is not, as some of the less scrupulous opponents of the European idea have suggested, an exercise in neo-Imperialism; it is a question of whether Europeans are to take part in the assault on problems the solution of which will determine the quality of life on this planet in the next century – the related problem of population growth, food production and environmental pollution; the rationalisation of world monetary systems and the liberalisation of trade – the peaceful settlement of international disputes and the preservation of fundamental human rights, so outrageously denied to millions of our fellow men and women – and even, in many parts of the world, to children; and above all the progressive redistribution of the world's resources until we have erased a social system in which one third of the world's population owned nearly 90 percent of its wealth, while the rest die in thousands of disease and malnutrition. It is easy enough to identify these problems; and they have been written about and spoken about so often that there has been a furious backlash, which threatens to conceal the real urgency of the problem. 'The starving millions' has become a convenient cliché, to be used by the self-centred and the unconcerned to sneer at 'liberals', 'progressives' and 'bleeding hearts'. It has become fashionable in political circles with an otherwise impeccable pedigree to advance the spiritually sterile proposition that we have enough problems of our own without assuming the burdens of the rest of the world.

Problems of adjustment

But the burdens of the rest of the world *are* ours, whether we like it or not; and the development of a strong and united Europe loses most of its meaning if it does not enable us to do something to lighten them. It is natural that the enlargement of the EEC should bring with it real problems of adjustment; and it will need all the skill and patience of the statesmen and administrators of Western Europe to resolve them. There is, however, a need for something more than the skills of the negotiator and the silky felicities of the diplomatist; there is a need for vision and imagination. It is not too extreme to suggest that the European idea is in danger of being submerged under a flood of recrimination, suspicion and plain apathy. At the Paris Summit last October the Dutch Prime Minister said that "if we do not succeed in making the idea of Europe alive for our peoples and inside our younger generations, then we shall head for failure in spite of our apparent success". He was loudly applauded; but was anyone really listening? □

DEMOCRACY IN CRISIS

by

ERNEST WISTRICH

“**D**EMOCRACY is the worst system of government except for all those others that have been tried from time to time”. This famous Churchillian aphorism was used as an argument against reform on the grounds that for all its imperfections our system of government has stood the test of time. Is this complacent view still justified in the light of the growing number of protests, demonstrations, and strikes, all in one form or another reacting against authority or the manner in which decisions affecting the ordinary lives of citizens are taken?

In more recent times it has become dangerously fashionable to hold the view that laws enacted by Parliament, if objectionable to a section of the population, should be resisted and even defied. It would be folly to react to these manifestations by merely insisting that the law of the land should reign supreme and that the only method open in society to changing laws, is by the electoral process of changing governments every few years. Government by consent is unlikely to survive if the only sanction available to citizens is confined to the ballot box.

What is much more in question is the way decisions are reached and the process which has led to them being taken. As a result of the technological revolution we no longer live in a stable and ordered society. Rapid change has become the norm in our way of life, and the stresses and strains which this generates require new methods of ensuring that people can accept and adapt themselves to new situations.

Human happiness is measured in our industrial society by the speed with which living standards rise. The race for ever more consumer goods, better

homes, cars for everyone and more leisure is only matched by demands for better education, health and social security and a more congenial physical environment. To regulate the process government has had to expand as rapidly. Executive and administrative decisions are being delegated to an increasing number of new institutions and agencies. Price boards, pay boards, statutory health authorities, regional economic boards, and a multiplicity of administrative tribunals, commissions and boards of nationalised industries are all given delegated powers to take decisions affecting the lives of ordinary citizens, which the latter cannot often understand, and over which they seem to have no say. Growing complexity in regulating our lives has led to government by experts, which our traditional democratic institutions of Parliament and elected local authorities are finding increasingly difficult to control in the interests of those whom they represent. This has led to the emergence and growing influence of forces outside the familiar party political framework. Organisations of business, industry, trade unions, and a variety of well financed pressure groups appear to be taking over at the expense of the democratic institutions.

Success in influencing government seems to depend on those who are most vocal, best organised, and able to back their views with effective sanctions. The tendency is towards the survival of the fittest at the expense of the weak and inadequately represented interests. Those who suffer are the lower paid, the pensioners, women, and most minority groups. The frustrations of those who are left behind are increased by resentment against the better organised

who, through strikes, protests and resistance to authority, seem to be getting their own way. In the absence of a more equitable and rational process of arbitrating between conflicting interests the very fabric of democratic government is in danger.

By joining the European Community we have added a new dimension to the problem of preserving democracy. As the technological revolution has spilled beyond the more ordered confines of the nation state, the task of democratic government has become even more complex. Control of multinational corporations, of pollution on a continental scale, and economic and monetary management are now beyond the capacity of individual countries of the size of Britain. The increasing responsibilities of government at Community level will mean decisions being taken by new institutions even more remote from the ordinary citizen.

Increasing responsibility

The view which Lord Gladwyn argues in *NEW EUROPE* this month is that we shall have to evolve machinery which, while submitting it to certain disciplines and notably to an acceptance of majority voting, and more especially obliging it to share some of its power with a directly elected Parliament, will nevertheless preserve the nation state as a continuing political entity and consequently result in the retention of the Council of Ministers as the main decision-making centre. The Council, however, is a body with only limited accountability to member governments but not subject to any normal democratic control. If the European Community is to become meaningful and acceptable to its citizens, then surely it must become, and be seen to become, more responsive and democratically accountable to them.

To preserve our democratic way of life we should look at the whole structure of European society and the way decisions are taken. We must regain democratic control over the whole process of government and find ways of formulating policies before decisions are reached, which take account and are responsive to all the competing and often conflicting interests of different sections of our society. As for the actual decisions, these must ultimately rest with those who are elected to take them. The present excessive centralisation of powers in the hands of national administrations with inadequate democratic control has already led to growing alienation of people from government. A further transfer of administrative powers to Community level without countervailing accountability, could lead to the breakdown of our democratic system, as technocrats take over.

What would be desirable is a much more rational distribution of powers as between the various levels of government. The principle that ought to guide us is the maximum devolution of power to those

levels of government which are closest to the citizens and best able to take account of their views. To counteract centralising tendencies, the devolution ought to be accompanied by the grant of genuine autonomy within the broad framework of national or community policies. Even after the reorganisation of local government in Britain, economic management will remain in the hands of the national administration. The Royal Commission on the Constitution is examining this whole issue and may well recommend the establishment of regional government possibly with elected assemblies to carry out those functions which are beyond the resources of the new local authorities, but could be decentralised from Westminster. By a redistribution of responsibilities between the different tiers of government from the European Community, down through the national, regional and local government level, with clearly defined powers appropriate to each, the system would become much more comprehensible to the ordinary citizen.

But the redistribution of powers alone would not overcome the frustrations of ordinary people about decisions taken affecting their daily lives. We must bring genuine public participation into the process of decision making. This does not mean the abdication of responsibility for decisions by those elected to exercise it. The Skeffington Committee on Public Participation in Planning defined participation as an act of sharing in the formulation of policies and proposals. An ordered process of consultation with the public and the seeking of views from interest groups should precede the taking of decisions. Once these are reached, the decision makers should explain the reasons behind their conclusions. They should give full account of representations made to them, and justify their choice between the conflicting advice on which they acted.

Community forums

Criticisms are frequently levelled at protagonists of public participation, that the voices heeded will be those which are most vocal and not representative of the community as a whole, and that the whole process of consultation will involve interminable delays. The solution lies in structuring participation. At the most local level of government community forums or neighbourhood councils with full representation of all interest groups ought to be set up. These forums, a meeting ground for many conflicting groups, would have the task of formulating common views on proposals received from the local authority, whilst retaining the right for individual groups to present their own submissions where consensus cannot be achieved. The process of consultation with the community forums would have to be disciplined by a clearly defined timetable to reduce delays to the minimum.

Continued on Page 8

● ... what we aim for is nothing less than a democratic European federation, with a European Government, subject to control by a European Parliament, directly elected, and with adequate powers to hold those who are entrusted with making decisions to effective account for their actions ...

... in the European Federation which we are aiming for, each level of government from Community, region, town, down to the smallest unit of local government, would have defined powers and responsibilities for decisions appropriate to that level, and these must be preserved and protected ... ●

Extracts from a speech by Ernest Wistrich

THE NATION STATE

by

LORD GLADWYN

THE admirable speech of our Director on February 1 last at a very well-attended 'European' lunch, went unnoticed by our national press. Why was this? No doubt because it was about ideas, which are not 'news', and in England we are allergic to ideas. The popular attitude is that it is all very well for Continentals to worry about the philosophy behind the European political union which we are now seemingly committed to achieve in eight years' time; but in this country we can very well settle all this as we go along, institutions, like freedom, "slowly broadening down from precedent to precedent". In other words, as our Foreign Secretary has so often indicated, "pragmatism" is the thing.

As Ernest Wistrich is well aware, this attitude is, however, maddening for our earnest 'European' friends across the Channel, probably a majority of whom are what they call Federalists, who, after long debate, have now agreed on the ideal structure, or constitution, for a democratically united Europe. They consequently feel that unless the recently converted British sign, as it were, on this dotted line they are only doubtfully 'European' and that, failing authoritative definition, the whole 'European Idea' may thus lose itself in the sands. The Holy Federal Church Universal, in other words, should not have an Anglican, or even a Pelagian associate; we should all be one body struggling against the power of nationalism and, more particularly, of the nation-state as personified by Monsieur Michel Debré or (since his conversion) by Mr. Enoch Powell. Onward, Federal Soldiers. Rally behind your leaders. Proclaim the faith as laid down by Father Monnet and the Blessed Robert Schuman and even as practised by the Doktor Seraphicus Hallstein, reduce the European Nation-State to a simple component of the United States of Europe; appeal to young people to shed all allegiance to purely national

conceptions; wave the Federal banner. *In hoc signo vinces*. Thus (and, of course, I am only being ironical in order to emphasise a truth), thus argue many of our best friends and allies on the Continent.

I have lived for quite a long time on the Continent, but I have lived for a much longer time in this country; and I would therefore like to explain, if I can, to those who profess and call themselves Federalists why I believe that their concept arouses some misgivings in the mind and heart of many an Englishman - perhaps less in that of a Scot, a Welshman or an Irishman - however passionately 'European' he may be in the sense of desiring the establishment of some kind of European Political Union that in due course may enable our Community to 'speak with one voice' and at least prevent our disunited democracies from falling under the domination of one or the other of the Super Powers, or even perhaps of both.

In the first place, the very name inevitably evokes in this country ancestral memories connected with the foundation of the United States and the subsequent triumph of the Federalists over the (predominantly English) Confederate Southern States in the dreadful American Civil War. If it is associated - as it usually is - with the parallel conception of a 'United States of Europe' the impression is deepened that the intention is to establish in Western Europe a political system equivalent in all respects to that of the North American Union. And as I believe, it is the declared intention of many of the European Federalists, if not to achieve just this, at any rate to attempt something of the kind. Let us consider for a moment what would happen if continental logic were by any chance pushed to its conclusion. As I understand it, this is the vision:

The European Commission is destined to become the actual administration - or government - of Wes-

tern Europe. More and more it should look chiefly, not as now to the Council of Ministers, but rather to a directly elected European Parliament from among whose members it might well eventually be drawn. The Council of Ministers, for its part, would gradually become the equivalent of the United States Senate, a powerful body indeed, and one in which the present nation-states might, for a time, continue to exert great influence. But since it would scarcely be possible to have equality of national representation – two Senators for the UK and two for Luxembourg, for example – it should one day be composed of the representatives of various semi-autonomous Regions, such as Scotland or Bavaria.

In this way the nation-state would gradually fade out and forty or more bodies, broadly equivalent to the States of the North American Union, would come into existence with wide powers, apart from those connected with defence, foreign affairs and finance and budgetary matters, which would be centralised in Brussels, or wherever the Federal capital happened to be situated. Who the supreme boss would be is not altogether clear. But, on the assumption that the Government might be drawn from the Lower House, he would presumably be the President of the Commission – a Prime Minister in the British style, dependent on a majority in the Parliament. Alternatively, if the American example is preferred, he could be a directly elected President of Europe whose relations with the equivalent of an American Congress would be much the same as those existing on the other side of the Atlantic. In either event he would have at his complete disposal the great Ministries that would be established in the Federal Capital. Naturally there would also be a Supreme Court.

I believe that this is a reasonably accurate, if highly compressed, picture of the Federalists' conception of a United Europe. However logical, it is not one which is likely to receive much support in the United Kingdom. Still less, I should imagine, in France, where it would certainly be opposed, not only by the Gaullists and the Communists, but by a large number of Radicals and Independents as well.

A threat to the peace

For its essential weakness is a grave under-estimation of the vigour and continuing vitality of the existing nation-states and more especially that of the most ancient European nations, namely Britain and France. It is perfectly true that the totally independent, or even the independent nation-state is in itself a threat to the peace, and that the main reason for the European Movement – any European Movement – is to restrict its total independence and to merge it in a greater whole. If we did not at least believe this we should certainly not be 'Europeans' in any political sense. But, things being what they are and history being what it is, it is simply not

conceivable to proceed as if, in the foreseeable future and short of some convulsion, Britain could become the equivalent of California or France of Illinois. Whatever the desire for unity, the imagination simply boggles at the idea that, even by the end of the century, a Mr. Winston Hindenburg will be running in Birmingham for the Governorship of Mercia against a Mr. Benito de Murville, both canvassing in basic, if heavily accented English. Or even (though this is perhaps slightly less improbable) that some offspring of the Foot family will be running as a candidate for the Presidency of Europe against, shall we say, the grandson of Franz Josef Strauss. I should, indeed, bet that by the year 2000, and whatever our desires and intentions may be, there will still be a British monarch and a French president even though there will be much devolution on and indeed a certain autonomy for regions, just as the German *Länder* are largely autonomous today, to the general benefit, one would have thought, of the nation state represented by the *Bundesrepublik*.

A blue-print to follow

Are the Continental Federalists therefore to conclude that British 'Europeans' (of all party political persuasions) are basically insincere in their professed devotion to the European Idea, or, if not insincere, at least hopelessly woolly-minded? I think they would be quite wrong so to conclude; and I would ask them to consider whether an 'Anglican' estimate of our political objectives might not even be preferable to rather doctrinarian federal concepts which accurately represent the thinking of 1945, but which certainly do now appear to have been largely overtaken by events. I do not know whether I speak for a majority of my colleagues in the British section of the European Movement, but I suspect that a considerable number would, broadly speaking, favour the following blue-print for the Political Union, to which we are now committed.

Let us first of all firmly put practice before theory, not abandoning the latter but adapting it to political necessities from time to time. But, certainly, let us also agree on a practicable and, above all, on an attainable end. What is the end? The formation of a European Political and Economic Community, open to any generally democratic European state this side of the Soviet border, capable of fulfilling the necessary economic and political obligations, in which a centre of Authority will gradually be established – preferably by a given date. Such an Authority will exercise defined, though limited powers, freely devolved on it by the Parliaments of the participating states. It will take the unique form of a Council of Ministers and a powerful and autonomous Commission working together, the Commission having the right of initiative and the Council the power of decision and, increasingly, the obligation to decide, if necessary and in certain defined

spheres, by some form of qualified majority vote. All major policy decisions will either be taken with the simple majority consent of, or be subject to repudiation by a qualified majority of a directly-elected Parliament. Regions, when and if established, will have the right to advance their cause before the Authority, but will not be represented directly on it. The whole system will be subject to the jurisdiction of the European Court of Justice.

Should the Member States not be able to agree that, in the immediate future, such an Authority should deal with foreign affairs and defence, then they (or such of them as are willing) should set up some parallel machine to deal with such matters in close association with it. But in that case the Parliament should be at liberty at least to discuss foreign affairs and defence and to interrogate Ministries on the subject. And it should also be agreed that, one day, the two organisations should be fused.

In all matters in which the opinion of the European Authority as such should be heard, it should normally be expressed by the President of the Council of Ministers for the time being and, in certain agreed spheres, by the President of the Commission. Once this point is reached, and we shall

indeed be lucky if it is reached by 1980, it will be evident that a new political entity has emerged on the international scene. What happens thereafter should preferably not be the subject of speculation at the present time.

If the European Movement were united in recommending such an end there would certainly be more chance of achieving it. I see no reason why it should not prove to be an end that would prove to be generally acceptable to the British or even to the French. For it would be one in which the 'personality' and traditions of our old nations would undoubtedly be preserved even if certain powers were, by agreement and with the free consent of our various Parliaments, exercised in common in accordance with new techniques well suited to our dangerous modern world.

The short point is that it is useless, and very probably counter-productive, to go all out in an effort to abolish, or smash the existing nation-states, even by 1980. As I say, the unbridled nation-state is a menace to us all and perhaps the principal source of present conflicts. But it should not be threatened with extinction: it should be tamed. And Western Europe is the ideal, perhaps at the moment the only place in which to tame it. □

DEMOCRACY IN CRISIS

Continued from Page 5

Those taking part in the community forums are not, however, likely to represent more than a small minority of the local population. Many other forms of passive consultation are open to the local authority, but perhaps the most fruitful lies in the use of sophisticated census and attitude surveys which should increasingly become the normal instrument of government for sounding out public opinions on specific issues. The surveys must be designed with care to avoid bias, and should be published as part of the material of which account was taken by the decision makers.

As one moves up to the higher tiers of government, the process of consultation ought to be similarly institutionalised. Alongside each elected authority a consultative body could be set up, rather on the pattern of the European Community's Economic and Social Committee. Its composition must be carefully balanced as between the different sectors in society and include industry, trade unions, education, the social services and other distinct interest groups. By setting up parallel consultative forums next to the directly elected democratic assemblies from the European Parliament and national parliaments down to regional and local assemblies, the formulation and scrutiny of policies can be organised on a more rational basis. The

decision makers, having taken account of the views expressed, would act in greater confidence that their policies were generally acceptable. The public, on the other hand, would know that its views have been heard through its directly elected parliamentarians and councillors as well as where sectional interests are involved through their representatives on the consultative assemblies. Finally, if the technique of attitude surveys became an additional form of published intelligence aiding the formulation of policies, distrust and alienation of the public from government is likely to decline.

The above rather brief outline of one possible form of adapting existing institutions to make them more acceptable to our citizens inevitably leaves many questions unanswered: what powers would be suitable for delegation to lower tiers or transferred to the European level? Would each level of government have the right to raise its own taxes? Without independent sources of revenue, genuine autonomy is an illusion. Above all, what likelihood is there in vested interests consenting to give up some of their powers? Realism dictates that the process of change will be slow and difficult. But without a debate about objectives and pressure towards their achievement, we can only resign ourselves to watching the growing and uncontrolled forces in society dictating our lives for us. Democracy can only flourish when people feel that they have a genuine role to play and that ultimate power rests with them. □

Patterns of the Future

by

SIR CHRISTOPHER SOAMES

(Based on a speech made in Brussels on April 5)

IN THE PAST, it has largely been what was going on in Europe that determined the Community's actions, the shape of its institutions, indeed its character and essence. In the future, I believe, a united Europe will increasingly have to meet the demands not only of our internal problems, but even more – indeed above all – the demands that are made on us by world problems. And it is on our response to these challenges, on our contribution to these world tasks, that we shall be judged.

On April 4, the Commission adopted two crucial documents: one on our overall view of the forthcoming world trade negotiations, the other on our future relations with certain overseas developing countries with whom Member States have special relations. Both papers have gone to our Member Governments. Together they represent and highlight a large part of the reappraisal of our external relations on which the Commission has been engaged, and to which the Council of Ministers will now be turning its attention.

Our special links with certain developing countries have formed the target of some criticism in the United States – not because they are of any major economic significance, no one would pretend that, but on doctrinal grounds.

And I must confess that if we started the world today from scratch, there might be little reason for us to go out of our way to do more for one developing country than another, except on economic criteria. But we don't start from scratch. In building the future, we have to take account of the realities of the present and the past. Several of the original Member

States had their historic connections in Africa, in the Mediterranean, and elsewhere. Other African countries, and a number of small islands dotted about the oceans, have been relying heavily on Britain through their Commonwealth connection. We could not, in coming together to increase our own prosperity, to make a more effective contribution to the future of the world, have started by sacrificing the vital interests of these developing countries. Their acquired links, their heavy economic dependence on us, the legal commitments we had made to them could not be ignored or broken.

That is why the Community originally committed itself to its existing associates; and that is why, in the Treaty of Accession, all the Member States of the enlarged Community pledged themselves also to offer certain independent Commonwealth countries special arrangements suited to their development needs. The negotiations with these countries are to start this August.

Firstly, and this is basic to the whole concept, we believe that, given our limited resources, we will have to continue to do proportionately more for these countries than we are able to do for the rest of the developing world. On aid, for instance, of course our individual Member States have bilateral programmes all over the world, and also make their contribution to multilateral programmes on a world scale. In our aid programmes we have not, over the past few years, fallen behind what other countries are doing. Indeed the 1 percent of our gross national product going to finance development all over the world has compared very favourably with most other

peoples'. So we do not really believe that, compared with other countries, our Member States are neglecting those developing countries with whom we have no special links. But over and above that general world-wide aid given by our Member States, we are pledged, as a Community, to give special aid to our associates. That is a pledge we shall honour.

Secondly, on trade, the Community has, for nearly two years now, been operating a Generalised Preference Scheme for the benefit of all developing countries world-wide, whether associated or not. We very much hope that the United States will, in its turn, not wait much longer before implementing a generalised preference scheme of its own. We would ourselves like to improve our system and to make it more generous in the future by including more products, by raising import ceilings, and in other ways. But we will have to look to other industrialised countries to make a similar effort. The Commission regards this as an essential part of its overall approach to the forthcoming trade negotiations.

Additional advantages

Nonetheless we still also see it as our duty to ensure that the Associated States who number among them some of the least developed countries in the world should be given additional advantages on our markets. They are dependent for the bulk of their exports on a very few products which historically they have always sold on our markets. They must continue to be able to do so. Otherwise we run the serious risk of creating economic followed by political vacuums with all the dangers that would involve for the Western world as a whole. We are dealing on the one hand with the continent of Africa, the political importance of which I need hardly stress to you. And we are dealing on the other hand with a host of small islands dotted over the oceans, whose economies are weak, whose populations are small, but whose political importance in global terms we must not underestimate. Because of our history we carry a special burden and responsibility here. Only we can shoulder it – who else could or would take it on? We are not complaining about it – but I fail to see why others should.

No reverse preferences

That being said I must also make it clear that the Community does not seek to extend its policy of association and preferential trade agreements beyond the limits which history and close geographical links have made necessary. In fact I say quite categorically that the Commission, having considered this question, has no intention of proposing any additional agreements of a preferential kind with countries which lie outside Africa, the Mediterranean basin and the list of other developing countries

referred to specifically in the Treaty of Accession. The list of these countries may look long, but let us look at it in perspective. All these developing countries between them represent a mere ninth of the gross national product of the developing world as a whole, and a minute proportion of world wealth and trade.

Thirdly, we do not propose to ask for any reverse preferences from anyone. The Commission has made it abundantly clear in the paper which it has adopted that it believes we should not seek any preference for our goods on any markets as against American goods, or Japanese goods, or those of any other trading country. The Community will not make the benefits of technical and financial cooperation, nor of tariff preferences, dependent in any way on the existence of reciprocal trade preferences in its favour. Any Mediterranean country, any present associate, any new country that joins the next Convention of Association will be free to use its own tariff sovereignty.

The Commission poses no preconditions. Its paper is based on a free trade area proposal. Not because of what we want, but to conform with GATT rules, our associates will have gradually to abolish their customs tariffs on our goods. But they would be free to offer the same treatment to others in return for what they will. Equally, nothing would prevent them from levying non-discriminatory fiscal duties on *all* imports, including those from the Community, and from protecting their new industries against imports from all sources. For we fully recognise the needs both of their budgets and of their own economic development.

Safeguarding interests

Fourthly, there is the problem of the extreme degree of dependence of many of these countries on a single commodity. In Protocol 22 of the Accession Treaty, the Community declared "its firm purpose" to safeguard the interests of "all the countries referred to in this Protocol whose economies depend to a considerable extent on the export of primary products and particularly of sugar". That is a pledge which we take very seriously indeed. We should seek to find means of stabilising their export receipts and also safeguarding their levels of employment. That will not be easy; it may also not be cheap. Moreover we must be careful to avoid freezing the economic structure of these developing countries in the production of commodities that have an indifferent future on world markets, and at the same time also encourage the conclusion (or the further development) of suitable arrangements on a world scale.

That is how the Commission sees the future relationship with these countries. Now we want as many of them as possible to come to the negotiating table. We pose no preconditions. We want them to come and talk to us, to explain their concerns, and

to help us to find together the most appropriate solutions for their problems.

We now turn to our relations with our industrialised partners, notably with the United States, the greatest economic colossus in the world, and Japan, the most dynamic and successful of the major trading nations. I bracket them together very consciously and by design.

Links of kinship

With the United States, many of our European countries have ancient links. They are links of kinship and history, links of shared battles and common fortune, similarities in culture and in social systems. Today we have major areas of convergence in our foreign policy objectives, we have new links through multi-national companies, and we are linked, too, by the efforts which the United States is making, along with ourselves, in our common alliance for our common security. It is with this total context of many intertwining ties in mind that we should seek together in the negotiations to come to do all we can to resolve sources of friction between us and to cement our various cooperative endeavours. I have no doubt that these negotiations will be tough. Domestic pressures on both sides of the Atlantic will be exerted that could wreck what, between us, we hope to do. But given patience, cool tempers and creative intelligence, we should succeed.

Common challenges

With Japan there is no such historic link of kinship or sentiment; the physical distance that divides us is matched only by the difference between ourselves and their ancient traditional culture. But many of the challenges faced by our Western societies are being faced now, sometimes in even more acute form by the Japanese. In the level of their industrialisation, and technology, in the thrust of their exports, in their contribution to the development of Asia, the Japanese have secured their position alongside the rest of the industrialised world. Japan, an island off the great shore of Asia, could feel as isolated without America and Europe as we in Europe would feel isolated without our partnership with the United States. An uncertain, anchorless Japan, a Japan that is – or feels – excluded and cold-shouldered by the West would bode no good to the stability of our modern world. And it may be healthy that the bilateral European-American relationship should be reinforced by a subtler triangular one in which Japan is brought on the same basis into our consultations on trade, on money, on the crucial and pressing issues of the world's future supplies of energy, on research, on international investment, on development aid and on whatever else is of their concern as much as ours.

This will all be highlighted in the great trade negotiation which will we hope open this autumn,

designed to carry the world along the road of trade liberalisation on a reciprocal basis.

The Commission's proposals may be summed up as follows:

A significant further reduction in industrial tariffs, a serious negotiation on agriculture, a package of measures as large as possible to reduce non-tariff barriers, a careful look at safeguard procedures, and a constructive effort to improve the position of the developing countries in the world trading system.

We consider these negotiations to be of the highest importance for if we do not go forward together we are all too liable to slip back.

A recent study published by the Brookings Institution calculated the cost to the American consumer of the present level of United States protection. It put the cost at between three and five billion dollars a year. Whatever the precise figures, the cost very clearly is enormous. There must be a similar cost to us Europeans, and of course also to the Japanese and to other countries' consumers, in terms of higher prices paid for domestically produced goods, of loss of quality competition, and loss of choice. In the face of protectionist pressures from vested interests on the producer side, it is our responsibility never to forget the perhaps less vocal but at least equally important consumer interests of the broad mass of our peoples.

We have recently been living through the most profound disturbance in the world's monetary system since the war. But that does not in any way diminish the need to liberalise world trade. On the other hand the large-scale international benefits which we hope will flow from these negotiations would be seriously jeopardised if ways are not found to shield the world economy from monetary shocks and imbalances such as have occurred in the last few months.

Transforming world scene

When I recall how successfully the American Administration, under President Nixon's very personal leadership, has over the past two years worked to unfreeze the hostile atmosphere between the United States and its rival great power blocs, how profoundly the President's initiatives have already transformed the world scene – then I find confidence that in the year which he has been pleased to call The Year of Europe his Administration will do all that lies in its considerable power to reach agreement on the much lesser problems that have arisen between the United States and their long-established friends and allies in Europe. We in Europe must work with equal dedication towards the same goal.

That is, I trust, the spirit in which our enlarged Community will now go forward with its partners into a worthwhile, constructive and exciting future. □

THE EUROPEAN TUC



by VIC FEATHER

THIS is a time of great organisational change in the European trade union movement – something which happens rarely in the trade union world and then apparently in response to significant events. The big change which has occurred is the establishment of the European Trade Union Confederation, the European TUC, with member organisations from 15 countries in Western Europe.

I am sure that many people, encouraged by the Press, have interpreted this change as arising out of the enlargement of the Common Market. They see it simply as the trade unions in the Common Market countries coming together. Up to a point they are right – the majority of trade unionists in most of the Common Market countries are in this organisation. In some of them such as Britain, West Germany, and Denmark it is the overwhelming majority, but in others such as France it is still the minority, and a little arithmetic will reveal that many more countries are represented than the nine of the Common Market. Indeed one of those is not represented at all, and that is Ireland.

So those who think that the European TUC is a Common Market organisation called into existence by the enlargement of the Common Market ought to look again. Who doubts that the trade union

movements of the Scandinavian countries are a powerful force within their own borders? Some will remember that the structure and the policies of the Swedish TUC have been carefully studied, and their evolution held up as a model for the trade unions and the TUC in Britain. Then there is the Austrian trade union movement, one of the most influential in its own terms and in its own country, that we have in Europe – a good example of a widely-based workers' movement. They are European trade union movements, and they are inside the European TUC, but they are not inside the Common Market.

So we have to look further, and perhaps deeper, to put our finger on the reasons why we now have such an organisation as the European TUC. We have to look back a few years and remember that, effectively, the European trade union organisation associated with the International Confederation of Free Trade Unions ceased to function when the Common Market came into being. This was no question of ideology, but simply that the unions in the Common Market felt they had a special reason for attending jointly to their own affairs. They did not turn their backs on the rest, but the division was there all the same. We in the TUC made several attempts to repair it, and finally came to the

conclusion that the best means of co-operation was to establish an organisation, limited in size but with a similar function, for the countries of the European Free Trade Association. This the EFTA unions did towards the end of the sixties, and I am glad to say that through its agency, and with the goodwill of the trade union organisations in the Common Market these two groups have come together into the European TUC.

Flexible labour policies

I will not weary you with a minute account of trade union history or of developments which have taken our attention. You will know – though I think trade unionists were among the first to realise it – that the power of multinational companies has been growing enormously in just a few years. What you may not know, but we know it well, is that in many of these concerns it is difficult, perhaps impossible, to point to any single determining source of policy and power. Their management, like their production, is diversified. Their labour policies are flexible, adjustable. They operate with – and they contain – many more variable factors than can a single company in a single country. They are national, international, regional, and worldwide all at the same time. They have to be studied, understood, and dealt with at all these levels, not just at one or two. Trade unionists have to be close to them, just as we have to be close to any employer, while still understanding that they are based on an interest of one kind, and we on an interest of another. They do not bring a new dimension into trade unionism, but they do emphasise and enlarge an old one.

We have a long experience of dealing with governments, of co-operating with them, of sharing some responsibility with them, which is not always an easy task because they tend to invite us more on their terms and we are inclined to accept more on ours. By now we also have a fair experience of dealing with a different animal, the Inter-governmental Agency, and this is a creature which changes its spots from time to time.

Such agencies are usually set up by governments in a flush of co-operative enthusiasm. Some of them – like the old Organisation for European Economic Co-operation set up after the war – served their purpose, survived the occasion of their foundation, and were thought useful enough to be reborn with other terms of reference. Some are heavy with political intentions never quite fulfilled, like the North Atlantic Treaty Organisation. Others like the EEC would perhaps prefer not to be regarded as inter-governmental at all, but each and every one of them has the slippery characteristic that matters of importance can be shuttlecocked back and forward between the governing body, whatever it is called, the secretariat, and the participating governments. We sometimes have a little trouble with them in this respect, and it is curious how often the lesson

has to be relearned that the centres and sources of power or authority must be recognisable – shifting though they may be – if progress is to be made.

The organisations themselves are usually rather anxious for contact with the trade unions, partly, I think, out of a genuine belief that they themselves should serve a social purpose, and that something might be derived from the experience of trade unions which would help them to do so. They are quite right in that belief, and it is on that basis that we approach their work. There may, however, be other motives for contact with such organisations as ours, and I am inclined to think that one of them may be, not our expertise in particular fields, but our representative character, our ability to put forward a view which by and large has received the assent of the working people we represent. But I am also inclined to think that they sense our ability to get that assent, our power to persuade and influence, which is worth something in democratic society.

I mention these things because the creation of the European TUC opens up a new channel for us to talk to inter-governmental agencies, including the openly inter-governmental parts of the EEC such as the Council of Ministers. That is part of our intention. If multinational firms have increased in power, size and complexity, so has multinational administration, multinational negotiation, multinational decision between governments. The old inter-governmental agencies, and some new ones, increase steadily in significance as part of the policy-forming, decision-making apparatus on a whole range of industrial, social, ecological, financial, and fiscal questions.

A particular significance

These bodies are not confined to Europe of course, and such a body as the UN, for example, in one of its aspects – perhaps the most useful – is a multi-purpose international agency. But it is a fact that the political experience of Europe, its historical links with very many countries, its complex participation in international trade, its power and expertise in financial matters, all these things give internal co-operation in Europe a particular significance. And as co-operation and contact and joint working develop between governments, so must the trade unions develop their own version of that same joint working, together with an understanding of the international channels through which they can have their influence.

On the other hand, the establishment of the European TUC opens up a new channel for the authorities to talk to us. Within the TUC we are not for the moment co-operating as a national organisation with the institutions of the Common Market. After the debates of the past few years the reasons need little elaboration. Briefly the terms which have been negotiated for British entry into

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Why we need European political parties

by
TOM SPENCER and
ANTHONY SPEAIGHT

DISCUSSION about the development of democracy in Europe commonly centres on two objectives – directly electing the European Parliament and giving it greater powers. It is our belief that of equal importance is a third: this is the growth of European political parties. Political parties are the life blood of parliamentary democracy as we know it. A European parliamentary process will not get off the drawing board without political pressure groups on a trans-national basis.

Plaything of the Presidents

The lack of attention paid to so vital an aspect of a political union is perhaps as much as anything a reflection on how accustomed we have become to seeing Europe in terms of the super-elite. Pompidou's 'European Union' is the plaything of Presidents and diplomats. The role of the parliamentarian is peripheral; and of the party-worker non-existent. While a summit meeting may be a productive concentration of political power it can also become a cauldron of personal animosities and private ambition. As a vehicle for the building of one of the most difficult political structures man has ever attempted, it is a machine of alarming fragility.

The fits and starts in the 27 years since the war have reflected the personal chemistry and moods of a handful of men. To advance on a broader front we must involve the energies of more than the 36 (thanks to Labour's idiocy now 21) who go to Strasbourg: we must ensure that all those who are politically conscious and active pursue their involvement in a European context. What could do more to mould thought, spread information, promote *esprit de corps* and form bonds of loyalty on the European plane than the effort of getting the vote out, collecting funds, electing leaders or drafting a manifesto?

The bigger obstacles

The immediate objective must be the formation of strong alliances between existing national parties. It will be a step towards a continental consciousness if Peter Kirk can identify himself primarily as one of the centre-right at Strasbourg rather than one of the Britons. It will be a much bigger step when the average party worker can begin to see his role in that light. We face few bigger obstacles than the attitude which says: "Foreigners are different, so in Europe my point of view is bound to lose out". But proper alliances in the near future will do more than bring together people of similar ideologies from different countries; they must lay the foundations for genuine European parties.

The logic behind the creation of multi-national political parties is impeccable. Research shows that

federations have broken up where political parties failed to form ideological groups and remained representative of areas. Only by thinking of ourselves first as Conservatives or Socialists and secondly as British Conservatives and French Socialists can we hope to overcome the strain of such a huge enterprise.

In America the parties suppress ideology. In Europe it may be the only loyalty which holds us together. With reference to disruptive forces, parties of this kind form an institutional reminder to all those engaged in politics of the underlying reasons which commit them to unity. In the day-to-day world of politics the national needs and fears from which there is no escape can become obscured. In the absence of strong trans-national loyalties parliamentarians will become more and more the guardians of national interest; more and more Gaullist in their thought with the absence of loyalties greater than the state.

Many of the Community's problems stem from the weakness of the Parliament and its consequent inability to back up the authority of the Commission. Only parliamentarians can effectively unscramble the bureaucratic complexity of Brussels, but they will be out-gunned by the Council of Ministers unless they operate with the political back-up of strong party organisation in Strasbourg.

A current case in point is that of the German Christian-Democrats who lack a Commissioner and will need this kind of party back-up to make their views known.

Need for men of calibre

Such party groupings may also lead to the creation of multi-national but uni-ideological 'cabinets' to aid individual commissioners. Above all, Strasbourg currently lacks men of calibre because many feel that they are cutting themselves off from national careers. If the whole of the party is aware of its organic links with similar parties such objections lose their force and the quality of parliamentary talent improves at a European level.

This is excellent, then, in theory, but the practice is a little uncertain. The main left-wing grouping will of course always be the Social Democrats. They have already reached the 'alliance' stage. There is a Socialist International in which the leading parliamentarians regularly debate and compare policies. They have a Co-ordination Bureau in Brussels and their group in Strasbourg works well although they badly need the numbers of the British Labour Party.

Sicco Mansholt has already vowed to devote himself to the creation of a Social Democrat Party of Europe. The Liberals continue to engage in a kind of 'name fetishism' by sitting as a group in

Strasbourg despite the fact that these last descendants of nineteenth century Liberalism are now scattered all over the political spectrum. While they might discover a new role as the enthusiastic exponents of 'integral federalism' as the safeguard of the individual, a more likely scenario would seem to be their splitting into two and joining the larger groupings. It is difficult to see a working coalition between Jeremy Thorpe and the Italian neo-fascists lasting.

The fractured Right

On the Right the situation is one of fractured disunity. Much of the Right has been discredited during the last fifty years by contact with Fascism and is now set adrift on a sea of pragmatism by profound social upheavals. This has left them split into four groups and pre-occupied with their party names. The Conservatives, who have initially decided to sit alone, have received invitations to join the other three groups. The Christian-Democrats, however, have trouble with their left-wing. The Gaullists might be suspected of wanting us merely to keep their group in being after the French elections.

Most interesting of all is the invitation from the Liberals, who despite their name contain most of the parties in France, Holland and Italy to whom we are ideologically closest. While one can accept that there are specific short term difficulties, anyone who cares for an effective Strasbourg will hope that these groupings will not harden into permanent features.

It is our belief that there exists between the Conservative parties, the Christian-Democrat parties, the majority of the Liberal parties and the Gaullists enough common ground in terms of political objectives and political temperament for a close working relationship to be not only desirable but also practicable. In the short term the aim must be to establish a formal alliance; in the longer term, as with the Social Democrats, to form a trans-national party uniting them all.

A students' charter

In July last year at a conference in London the leaders of the student sections of most of the parties of the four centre-right groups mentioned signed a Charter. It outlined the principles uniting the non-Socialist parties, and went on to declare a commitment to working together for the emergence of a single political party unifying them all.

Not the least difficulty was finding a suitable name. All the existing names - Conservative, Liberal, Christian, Republican - are anathema to

some one. In the end the name 'European Democrat' was unanimously adopted. It conveniently balances 'Social Democrat' and emphasises two of the central strands of the thinking of the European centre-right.

The project launched by this Charter has aroused some interest. At the Tory Blackpool Conference lapel stickers reading "I am a European Democrat" were much in evidence. The Danish students had the greatest success: they persuaded their senior Party's annual meeting to ratify and approve the document. The next steps ought to be the establishment of a European Democrat Co-ordination Bureau at Brussels; regular inter-party meetings; and exchanges of party professionals and MPs.

Then a single European Democrat Group should be formed at Strasbourg with some sort of European Democrat International to back it up. A first step might be the formation of 'cabinets' in the Commission that contained members of sister parties rather than the current practice of choosing all such advisers from one country.

Inevitably not everyone will fit into the two main groups we have described. Communists, Fascists and perhaps a few Nationalists will always be separate. Perhaps, however, this highlights the fundamental criticism of the EDP proposal – that by seeking to impose on the richness and confusion of continental parties used to a proportional repre-

sentation system the British two-party model, we may be attempting something either impossible or unhelpful.

In answer one can only say that it will only grow if it meets a genuine need. As with all schemes for parliamentary reform, pragmatism is the best guide once we have discerned the landmarks in this new field of politics. As to the virtues of an adapted party system itself Europe will have to choose. If we are to ensure democratic control of the Executive and avoid the dominance of a political civil service, while institutionalising factors which bring us together, this would seem a reasonable solution.

Upholders of the popular vote and multi-party tradition too often forget that the electorate can only make its own choice – that is, there can only be effective democracy – if it is confronted by a small number of clear alternatives. Too often in Italy, in the Benelux countries and in France under the Fourth Republic, a party that has lost ground in a General Election comes into a new coalition as a result of the processes of the smoke-filled room, and in defiance of the will of the people.

If in the development of one Federal parliament, directly elected and with powers, we are to avoid a remake of 'Jeux sans Frontiers' we must also evolve in some shape European political parties which stress our common reliance on the great traditions of European political thought.

THE EUROPEAN TUC

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the Common Market are onerous. They will bear hard on the British people, and hardest on those among us who have least resources. We consider that the terms of our participation should be – and eventually must be – changed. These present costs are real, whereas the benefits of membership are, at best, speculative. Beyond that there is a question of the spirit of the EEC, with its emphasis on the virtues of competition, and the interplay of free economic forces. Socially this is not a happy definition of purpose. If for a time it adds to material progress, it will nevertheless not satisfy men's aspirations.

That is a matter which the European TUC can follow up day by day, achieving big changes, I hope by small degrees. Certainly it is agreed among governments and within the machinery of the EEC itself that there should be a social policy. It is my view that in Western Europe as a whole we are ready for a more concerted policy to which many more countries can contribute their experience. Those outside the Common Market have no less to give than those within it.

These are large matters of policy with which we must concern ourselves when we look at the broad sweep of European development. There are many others – we are not satisfied with political or with industrial democratic control as it exists today. But

it is not at this level that most trade union work is done. Our function after all is first to represent working people in the workplace, and also to look after their interests as they see them day by day. It is fortunate that we have had for many years a network of international trade union contacts which deal with specific fields, such as transport, or metal working, or the food industries. The European TUC would be the weaker if it were not able to draw on the strength and the immediate experience and knowledge of these industrial international organisations. They too are going through a reshaping period linked to developments in Europe, but linked also with developments elsewhere in the world – and ones which are proceeding fast because technology and capital and management skills are not limited by national boundaries.

The need for regional solidarity is seen as much in Asia or in the Americas as it is in Europe. I have the conviction that internationally trade unionism is on the march, that it will emerge from the difficulties and the changes of the past few years with a heightened social significance, and with a new coherence arising out of a fresh vision of the unity of workingmen's interests. I see the growth and the extension of the European TUC as a factor in that consolidation. I measure our support of the European TUC – and it is a wholehearted support – by the value of its role in the social consolidation of Europe.

ULSTER'S SILVER LINING

by WILLIAM WHITELOW

ONE of the aspects of the enlargement of the EEC which I welcome most is the growing appreciation in Europe of the excellent opportunities offered by the 'regions' of the UK for industrial expansion by manufacturers from the Continental mainland. Most producers in large industrial centres in Europe are facing enormous problems by way of steeply spiralling costs – the price and scarcity of land, construction costs and labour costs – and, perhaps even more critical, an increasing shortage of labour at any price. Far-sighted managements are, in greater numbers than ever before, looking at what Britain has to offer – not only a large new market of 55 million people, but a highly-developed infrastructure and available high-class labour. And, on top of these advantages the Government is ready to pay extremely generous grants and make available a whole range of assistance to the incoming industrialist who locates his operation in one of the regions. That is a proposition which no modern industrialist can afford to ignore.

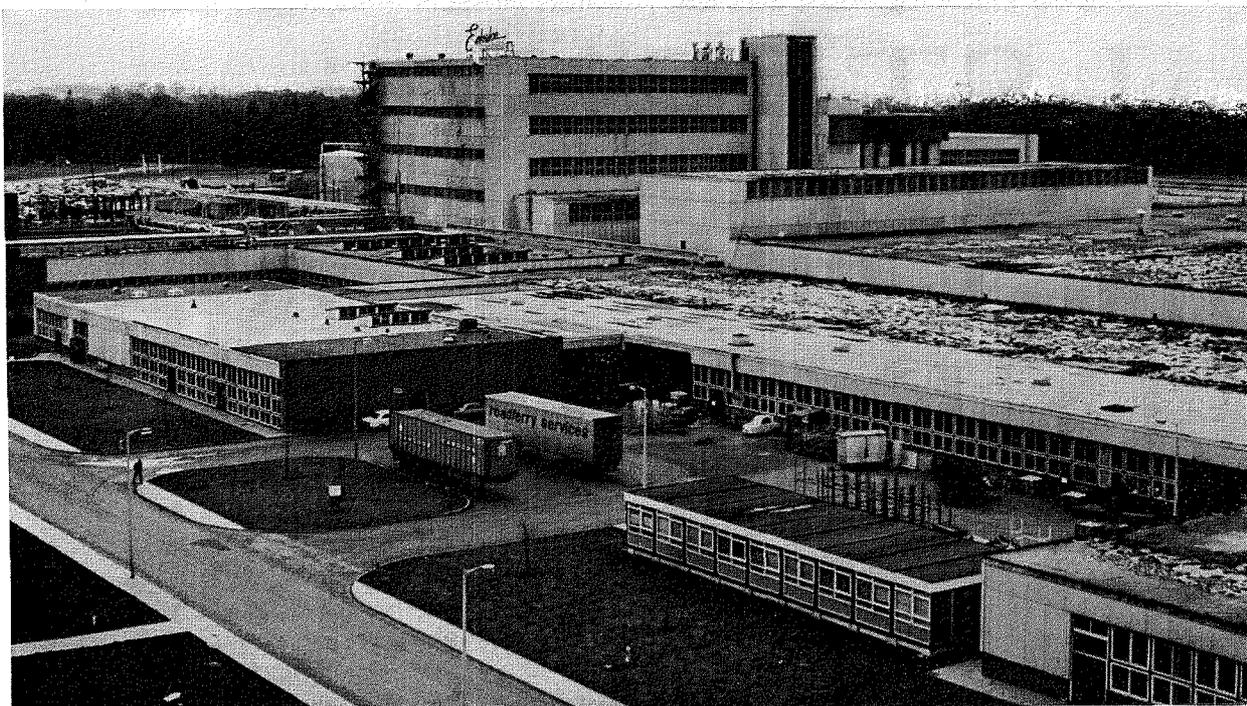
Of all the British regions, Northern Ireland has, by far and away, the most generous and the most highly-developed support system to put at the disposal of the incoming industrialist. Indeed, the incentives are so high and the schemes of assistance so comprehensive that European investors who have not been aware of Northern Ireland's long-standing industrial development programme – it dates back to the immediate post-war years – sometimes imagine that the unequalled offer held out by Northern Ireland is in some way linked to the much-publicised 'troubles' of the recent past and that it is designed as a lure to dazzle the unwary industrialist. Nothing could be further from the truth. Any European

company contemplating expansion must understand the true nature of the political unrest in Northern Ireland, its effects on industry and the structure of Northern Ireland's economy.

First, the nature of the 'troubles'. To judge by some of the more colourful press reports one might imagine that the whole Province was sunk in a murderous, medieval, religious civil war, with country-wide devastation and chaos. The facts are otherwise. While a small but virulent minority of extremists on both sides of the religious and political spectrum have tried to force their particular views on the Northern Ireland community and have used every opportunity to exploit historical tensions and divisions, the vast majority of the population, whatever their beliefs and affiliations may be, are concerned, like their European counterparts, to see peaceful progress in every economic, social and political aspect of life in the Province.

At the very basis of HM Government's policy for Northern Ireland is the desire to see these worthwhile aspirations fulfilled. We fully respect the democratically-expressed wish of the population to remain part of the United Kingdom; we are, I believe with increasing success, encouraging the evolution of regional, political and administrative institutions with which all sensible sections of the population can identify; and we have undertaken to develop the economy of the Province at a rate which will bring the standard of living in Northern Ireland up to the UK level in the shortest possible time.

Second, what are the effects of terrorism on the Ulster economy? Need the European industrialist imagine that he would be going to a 'danger zone'? The facts of the matter are that while the terrorists



The massive British Enkalon plant at Antrim where 2,600 employees make nylon and carpet yarns.

can seize the headlines by isolated acts of destruction directed against 'soft targets' such as shops or filling stations, their impact on Northern Ireland's industry has been virtually nil. If I could quantify that statement in terms of jobs lost, since the beginning of the 'troubles' in 1969 less than 800 jobs have been lost through the closure of a handful of relatively minor industrial plants. When that figure is seen in the context of a total manufacturing labour force of 182,000, and when it is remembered that the Government has promoted some 17,000 *new* jobs since 1969, it can be appreciated that terrorist attack has not impaired or endangered industrial progress. From a European point of view it is worth pointing out that none of the companies affected originated from outside the Province.

If we look at other economic indicators, we again see that Northern Ireland has a thriving industry. For example, manufacturing production increased in the ten years between 1962 and 1972 by fully 64 percent – an appreciably higher rate than that in the rest of the UK. The index of output per employee has risen since 1963 by 55.1 percent. Exports have, for many years, been rising by an average 6.5 percent annually – and that figure is calculated at *constant* prices. Northern Ireland's total trade is now worth some £1,700M per year – no mean achievement for a Province of only 1.5 million people.

From these facts the European industrialist will readily appreciate that the Northern Ireland economy has been making steady progress and has not faltered in the face of political extremism. Indeed, one of the most encouraging features of the Northern Ireland situation is the fact that political wrangles have been

completely kept off the factory floor and management and trade unions have been able to maintain their outstandingly good industrial relations record – the most recent figures, for the last six months of 1972, show that the total of days lost per thousand workers amounted to 91 – a praiseworthy achievement in days when labour unrest is a feature of industrial life in so many countries.

If the activities of political extremists do not pose a threat to Northern Ireland industry what then are the economic problems and why is the Government ready to make such a uniquely generous and comprehensive system of assistance available to incoming industrialists?

Northern Ireland's economic problems are, first of all, structural in nature. A generation ago the two great sectors of industry on which the economy was based were traditional textiles – largely the famous Irish linen – and ship-building. It is inevitable, particularly in an era of accelerating technological change, that such sectors should be subject to cyclic fluctuations and for Northern Ireland the problem was that the Province was so heavily dependent on two sectors which simultaneously suffered both a cyclic depression and labour contraction through modernisation and rationalisation. In recent years the textile sector has been revolutionised through diversification and after a painful period of modernisation shipbuilding is once again flourishing, but nevertheless between 1960 and 1971 textiles and shipping, coupled with a progressive employment contraction in agriculture, resulted in the loss of 63,000 jobs. When one couples that figure with the fact that the Province has one of the highest birth rates in Europe – 20.7 per one thousand population,

or 33 percent higher than the Europe of the Six, the essential nature of Northern Ireland's economic problem becomes clear.

No one should imagine, however, that the Province is only now coming to grips with this problem – to combat it is a continuing process which will clearly continue for several decades, but already a tremendous degree of diversification has already taken place. Since the late 1940s 300 new firms have been assisted by the Government in establishing branch factories in Northern Ireland. They include such internationally known companies as Goodyear, Michelin, Autolite (a Ford subsidiary), Courtaulds, ICI, Hoechst, Du Pont, British Enkalon, Grundig, Rolls-Royce and British Oxygen. At first these companies came mostly from the Great Britain mainland, but later from the USA and in latter years from the European Continent. They have been able to exploit not only the Government's financial incentives, but also the fact that Northern Ireland has a strong engineering tradition, on which the newcomers have built, to bring a great wealth of product diversification and structural strengthening to the Northern Ireland economy.

What does Northern Ireland offer the European investor? Perhaps the most important attraction of all is the factor which has an economic 'negative' from the Province's point of view – namely a surplus of suitable labour. Unemployment at the moment stands at 7.9 percent of all male employees. And these are men from a community with an industrial background, which has been reinforced in recent years by one of the most advanced labour training programmes in the world, carried out in Government-run training centres situated in towns throughout the country and providing courses for both apprentices and adults wishing re-training. These courses can be tailored to the requirements of incoming industrialists.

Massive expenditure

And what of Northern Ireland's infrastructure? Those who know the country only from photographs of its many outstanding beauty spots would be surprised to find that the Province is not only pleasant to live in from a scenic and climatic point of view, but also offers first-class facilities and amenities to the industrial newcomer. Under the Government's Development Programme for the years 1970-75 provision is made for a massive total expenditure of over £3,000M. This investment will improve still further the already highly developed communication system – roads and harbours – factory building, industrial training, water and electricity supplies, as well as the services of everyday living such as houses, hospitals, schools, technical colleges and universities.

Apart from these general benefits, the industrialist will, of course wish to know what benefits his specific

project will enjoy in Northern Ireland. Firstly he can expect to receive, depending on how attractive his project is from an employment point of view, a cash grant rate of between 30 and 40 percent towards his total costs in terms of buildings, plant and machinery. On top of these grants particularly good projects frequently attract extra, per capita, employment grants which are also paid right at the start of the new operation, thus keeping to a minimum the amount of capital which is to be invested. The British fiscal system extends to Northern Ireland, where the incoming industrialist can enjoy substantial industrial tax depreciation allowances and this means that in a profitable operation in Northern Ireland the investor, by benefiting to the full both from cash grants and tax depreciations on buildings and machinery, can recoup up to 73 percent of his fixed assets costs.

An extra service

For those industrialists wishing to get quickly into production the Government has constantly in hand a highly sophisticated advance factory programme, which provides standard factories in all the usual sizes, complete with all the necessary services, on a 21 year lease at concessional rents ranging from 90p per sq. metre per annum to £2.69 per annum. In some cases even this low rent is waived for an initial period of 2-5 years, with full rent not being paid until the 10th year.

Training grants of £15 per male and £12 per female per week are also payable and the full cost of transferring existing machinery to Northern Ireland and of installing the families of key personnel is also covered.

Over and above the activities of the Ministry of Commerce the independent Northern Ireland Finance Corporation can offer the industrial investor a special extra service. The NIFC was set up last year by the Government and has at its disposal a special fund of £50M. Its personnel have wide experience in the banking and management fields and the Corporation can step in to help individual industrial projects, by way of taking equity, or making loans or loan guarantees.

These are the highlights of what is a comprehensive programme designed to help the outside industrialists with every aspect of the problems of setting up in a new country and what is perhaps most important of all the Government provides a complete 'Customer Service' to advise the industrialist at every stage of his operations.

All in all, I am convinced that Northern Ireland has a tremendous lot to offer as a location for European industrial expansion and I believe that such investment will undoubtedly be to the benefit of both Northern Ireland and the individual European manufacturing company. □

PROFILE

ALBERT BORSCHETTE

... has given a new direction and dimension to EEC competition



As the representative of the smallest member state in the enlarged EEC, Albert Borschette might have been tempted to overcompensate for any lack of political weight that Luxembourg has in the European context. But during his short tenure of office, this 52-year-old former professional diplomat has brought to the European Commission in Brussels that blend of objectivity and commonsense on which small countries can thrive in international politics.

Unlike most of his colleagues from the old Commission of the Six who have stayed on after enlargement, Borschette has retained the most important part of his original portfolio – responsibility for the Community's anti-trust policy. Other sections of his original brief – including regional policy – he has now ceded to other Commissioners since the new division of portfolios which followed the entry of Britain, Ireland and Denmark to the Community.

Anti-trust legislation might not be one of the most exciting or glamorous spheres of interest of the Community. But it is one of the few areas of policy where the Commission has been granted real powers to take decisions independent of the Council of Ministers.

Over the years it has been gradually building up a community competition policy with the twin aims of keeping prices down and of ensuring the widest possible choice of goods and services. The European Court of Justice in Luxembourg by interpreting and in most cases upholding decisions taken in Brussels, has helped the Commission lay the basis of a case law banning practises which restrict or distort competition between member countries.

During the three years that he has been in overall charge of the Commission's anti-trust department, Borschette, together with his equally gifted West German Director-General, Willy Schlieder, has given the EEC's competition a new direction and dimension. Virtually all of the Community's important anti-trust cases have reached fruition during this period including the famous Continental Can merger case and the breaking up of the community-wide sugar cartel.

Challenge to mergers

In Borschette's view, the whole general approach to competition policy has changed considerably since the Community was first set up. "In the early days, the Commission was mainly interested in drawing up legal texts and enacting regulations," he says. "Now we look for the important test cases involving big firms where the free choice of a large number of consumers is at stake and where the Court of Justice can give a legal interpretation".

This policy will be continued in the enlarged community as the Commission develops a new system to police mergers in the EEC. After the Court's recent judgement in the Continental Can case, the Commission is now expected to challenge

at least two more important merger cases during the current year.

The complexities and intricacies of competition policy, or indeed of other EEC spheres of interest, have never worried Borschette for long, although unlike most of his staff he is neither a trained economist or a lawyer. He is the first to concede that when he first found himself in charge of the anti-trust portfolio, he needed all the guidance the experts around him could offer. Journalists who interviewed him shortly after he arrived in the Commission discovered that most of their more technical questions were answered by one of his aides.

But his training as a professional diplomat and his ability to assimilate and analyse technical details have enabled him to master his portfolio. He now confesses, almost apologetically, to a passionate interest in his brief and doubts whether he could find a more interesting or satisfying niche.

His skill in grappling with minutiae has always played an important role in the shaping of his career. He found it a particularly useful asset when he first became associated closely with the Community some 20 years ago.

After diplomatic posts in Berlin (during the blockade) and subsequently in Bonn, Borschette came to Brussels as a Secretary at the Luxembourg embassy in 1953. The European Coal and Steel Community was already in operation and the thoughts of the Six were beginning to turn towards new ways of furthering European integration.

When the negotiations for the setting up of the EEC and Euratom opened in Brussels three years later, Borschette had been promoted to Counsellor at the Embassy. Somewhat to his surprise, he found himself negotiating alongside his country's future EEC partners as deputy head of the Luxembourg delegation.

It was at this stage in his career that his powers of application paid off. In his own words: "Many of the negotiating sessions lasted late into the night and I found myself filling in for colleagues who had to catch the last train back to Luxembourg. When I discovered that most of our other negotiators were not interested in the more technical problems - like the Community's association plans for the French-speaking African states and Euratom - I decided to specialise in these subjects".

A fervent British supporter

When the Rome treaties setting up the EEC and Euratom came into force at the beginning of 1958, he became Luxembourg's first permanent representative, a post he held until he joined the Commission in 1970.

Looking back from his present vantage point in the Commission two aspects of the Community's development have taken him slightly by surprise. "If

somebody had told me back in 1957, that we would have made so much progress by 1973, I would never have believed them," he says. Nor had he expected when the Community was set up that the most serious crises would be institutional.

Like most Beneluxers he has long been a fervent supporter of British membership of the Community. When the first round of British entry negotiations opened in 1961 he fully expected them to succeed. He still maintains that if Britain had dropped some of its objections and the talks had finished six months earlier, the French would never have blocked British entry.

On the other hand, Borschette never believed that the Wilson round of negotiations would get off the ground. The final, successful, attempt was a foregone conclusion, he feels.

His enthusiasm for the European cause has had its ups and downs. The lowest point for him came during the late sixties when he was thinking seriously of whether he should stay on as Luxembourg's permanent representative. "That was the period between the failure of the Wilson negotiations and the Hague summit conference when virtually nothing of interest was going on," he recalls. But the Hague summit decisions to enlarge the Community and chart the path towards further European integration renewed his faith.

His literary leanings

Like most Luxembourgers, Borschette is a fine linguist. He understands five of the Community's six official languages (Danish is the only gap) and he is completely conversant in German, French and English. Although his native language is Luxembourg (a variant of German) he thinks and writes principally in French now. Four of the five literary works he has had published were written in French. They include *Continuez a Mourir*, a novel based on his experiences in Luxembourg during the last war for which he was awarded the 'Grand Prix' of the Luxembourg society of French-language writers.

His literary activities have been largely inspired by his keen interest in archaeology. A single man, with no family commitments, he plans his annual holidays carefully to take him to those areas of the world like Russia and Latin America where he can gratify his predilection for pre-Christian art. During the past three summers he has visited Latin America three times and is now engaged in putting his reflections onto paper. Two of his earlier works *Journal Russe* (1946) and *Itinéraires Sovietiques* (1971) were based on similar travels.

He has read widely in most branches of European literature, including English, which he studied when he was a student in France and Germany. For what it is worth, he is the only Commissioner who can discuss Robert Burns with his Scottish colleague, George Thomson. □

Mitterand next time?

by

MARC ULLMANN

Deputy Chief Editor of L'Express

IN France everyone is happy. Those in power are to remain there. Those who did not want to take over are not going to do so.

The second statement may sound like a joke but it sums up the main characteristic of French political life today. The latter can only be understood if one realises that *all* the socialist leaders – I say *all* – confided in private, before the March elections, that they hoped they would not have to apply the common left-wing programme in a Government where they shared power with the Communists. So to attempt to determine the broad outlines of future trends one must first answer the question: why did the Socialists conclude an alliance with the Communists?

This can be explained if we go back a few years. Between 1947 and 1960, the Socialist Party helped to back up centre-right governments and thus lost all credibility as a left-wing party. Between 1960 and 1970 it was certainly in the Opposition camp but acted so timidly in this position that the Communist Party took all the limelight. The result: in election after election, the number of votes it collected went down while, at the same time, the Communist Party more or less retained all its supporters, who accounted for around 20 percent of the electorate.

His new strategy

The Socialist Party thus found itself obliged to adopt a new image. So it sought out M. François Mitterand, who had stood in the 1965 presidential elections against General de Gaulle and obtained the impressive score of 45 percent of the votes against the 55 percent won by the former head of State.

As soon as he was elected Secretary-General of the Socialist Party, M. Mitterand had a new strategy approved. This involved rejuvenating the 'old crowd' by making it move to the left. To do this an alliance had to be concluded with the Communist Party. But the alliance had to be such that it would enable a state of competition to persist between the two main Opposition groups. M. Mitterand always

thought that he could only govern alongside the Communists if he were not their prisoner. This meant that the Socialist Party had to prove itself capable of attracting more than 20 percent of the French electorate.

The Communists understood perfectly what he was up to and to make M. Mitterand pay the price of their alliance they tried to bind him by making him sign a 'common government programme'. Mitterand accepted this all the more readily since the programme seemed to him like a simple school exercise. He did not believe in the possibility of a socialist victory in the legislative elections. His real sights were on the 1976 presidential elections. It was only a few months ago that opinion polls started to show that a victory in the legislative elections was not completely out of the question. But by then it was too late to modify the common programme.

Victory and defeat

The result is well known. On March 4, in the first round of the elections, the majority of French voters showed their desire for change. But at the second round on March 11, fear of communism prevailed and the Gaullist majority was returned to power, although considerably weakened. Of 490 deputies the Gaullist party have 199. But its allies in the ranks of Giscard d'Estaing and Duhamel followers have 54 and 23 respectively, bringing the total up to 276. In the previous Assembly, elected in reaction to the May 1968 troubles, these groups together were represented by 372 deputies. So the government coalition experienced both victory and defeat.

The President of the Republic, M. Georges Pompidou, closely analysed the shift of votes recorded in the March elections. He concluded therefrom that the current majority had above all lost ground among workers and minor civil servants and in the suburbs of major cities. On the other hand, its most firm bastions were country people, women and the old. The electoral experts think that if current trends continue, the rapid urbanisation of present-day

France could cause M. Mitterand to win the next presidential elections.

In these circumstances, the problem of the party image which faced the Socialist Party a number of years ago now faces the government coalition. Its leaders therefore support the idea of change. But what are they going to change?

Foreign policy is not their main concern. Firstly because it has little or no electoral importance. Next because it is directed, in reality, by the President of the Republic himself. Finally because the electoral defeat of the previous Foreign Minister, M. Maurice Schumann, has nothing to do with foreign policy. All local observers are agreed that this defeat was due to the fact that M. Schumann committed the fatal blunder of choosing a particularly stupid and unpopular deputy. Now it was in fact the deputy who mattered to the electorate since, in France, plurality between the office of Minister and that of Deputy is forbidden. So if M. Schumann had been elected and then appointed to the Government, his deputy would have sat in the Assembly.

Archaic structures

The real challenge is in the social field. It is here that French politics are going to be centred, for the simple reason that French structures are archaic in comparison with the country's stage of economic development.

Apart from Japan and Brazil France is, among the main non-communist nations, the country with the highest growth-rate: nearly 6 percent average. At this rate the French GNP, which has already substantially overtaken that of Great Britain, will soon equal that of Germany. However, closer analysis shows that this favourable balance hides major weaknesses.

The firms which are doing well, those which have increased their investments and exports, belong broadly speaking to two categories. On the one hand, companies like Michelin, Saint-Gobain-Pont-à-Mousson, l'Oréal etc., have developed on the basis of an independent international strategy making them increasingly independent of French Government action, whether good or bad. On the other hand, a number of medium-sized firms have come of age and have established themselves firmly in limited but profitable niches. For example, the French spectacle industry now leads the world and the shoe industry is so competitive that it exports nearly a third of its production.

On the other hand the State has sunk vast sums of money into aeronautics, iron and steel, shipyards, informatics and other sectors which only keep going with subsidies. Such subsidies are so massive that a survey by the Ministry of Finance has shown that French industry, taken overall, pays no taxes as it were: 'its tax burden is around 0.8 percent of its added value'.

If we add to this the fact that agriculture is subsidised, that in the liberal professions numerous lawyers, doctors etc. still manage to evade tax, that knowledge of property profits is so limited that their taxation is ridiculously low and finally that the wage range in France is wider than in most European countries, we reach two simple conclusions. First, that workers are relatively underpaid. Second, that the main tax burden is borne by the consumer, i.e. above all by the poor who are forced to consume more than they save.

Areas of expenditure

The French budget for 1973 is presented in two documents totalling 300 pages. It can be summed up in a few lines. On the one hand, total subsidies and aid are almost equal to the operational costs of the Civil Service. On the other, total expenditure on civil infrastructures is slightly less than the military budget. There are thus four major areas of expenditure. And the least favoured of these is the one most important to the country's future.

This is easily explained. In a country where agricultural spending (22,000 million francs) swallows up almost two-thirds of revenue from income tax (36,000 million), in a country where entire sectors of industry are subsidised, in a country whose President thinks that its military potential should be developed, something just has to be sacrificed, namely public facilities. Between 1969 and 1972, French production increased by more than a quarter. At the same time, public facilities grew at a rate of only 3.5 percent a year. This is better than in Belgium and Italy. It is worse than in the six other countries of the European Community, including Great Britain.

Compromising social peace

If current priorities are not altered, the social peace reigning in France today (rarely have there been so few strikes) is likely to be seriously compromised. It is in the field of wages, working conditions, taxation and social facilities that the Government will be forced to act and that the Opposition will attack. This is not a prediction but a simple conclusion which seems obvious to all those with a part in French political life.

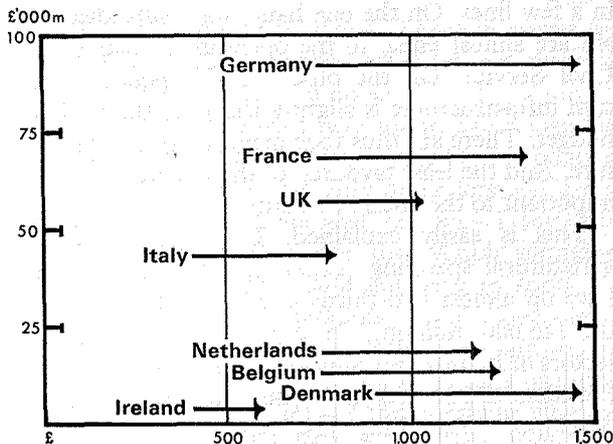
The result of this state of affairs will be that the Government will be obliged to subordinate its foreign policy aims to the preservation of economic expansion, which alone can give it the means of facing up to increasingly pressing social needs. Most fortunately, the Common Market is now considered to be the natural framework for the French economy.

This means that French politics in the coming years will be increasingly European. But it will be so in a very narrow sense. And not an idealistic one. □

IT was over fifteen years ago that we in ICI realised that it would be better for the UK to join the European Community than to remain outside, and twelve years ago we founded our 'Europa' organisation. This was to be responsible for sales and manufacture of our products in the EEC. In short, Europa's job was to ensure that ICI obtained an adequate share of this rapidly growing market. We recognised then the impetus which the EEC would give to economic growth and this has certainly happened.

Some people do not appreciate how much higher economic growth has been on the Continent and how this has affected relative standards of living.

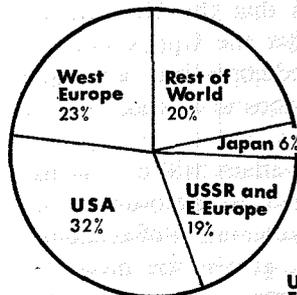
GROWTH OF GNP/HEAD 1958-1971



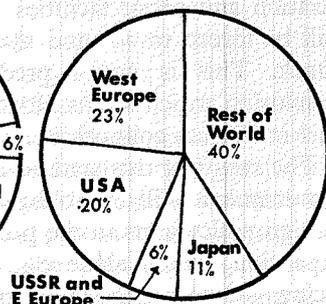
Each country in Europe still retains a nationalist outlook, but because Britain is an island we tend to be more nationalistic than the others. Indeed, many British people still retain an insular attitude. This is reflected in our national idiom in talk about Britain going into Europe; but geographically and historically we are part of Europe. We have all heard the joke about "Fog in Channel: Continent isolated", but this thinking is quite prevalent.

Western Europe is a formidable element in world production and trade.

PRODUCTION



EXPORTS



The enlarged scale of the EEC market will enable European businesses to meet the most efficient world competition. There will be a gradual process of harmonisation of standards and a convergent trend towards a more cohesive European economy.

Turning from the macro-economic view to the

ICI and EEC

by JACK CALLARD

Chairman of Imperial Chemical Industries

business world it is interesting to examine the *Fortune* list of the 500 biggest industrial companies. They comprise:

US	280
Europe of 'Nine'	119
Japan	54
Rest of world	47

The UK is well represented in Europe with 46 of these companies, followed by West Germany with 35 and France with 21. In contrast to the general industrial picture, in chemicals seven out of the top ten companies are European, with only three being in the United States. Of the European companies three are German and one (ICI) is in the UK.

Since the formation of EEC, trade within the 'Six' has grown much faster than between the UK and the 'Six'.

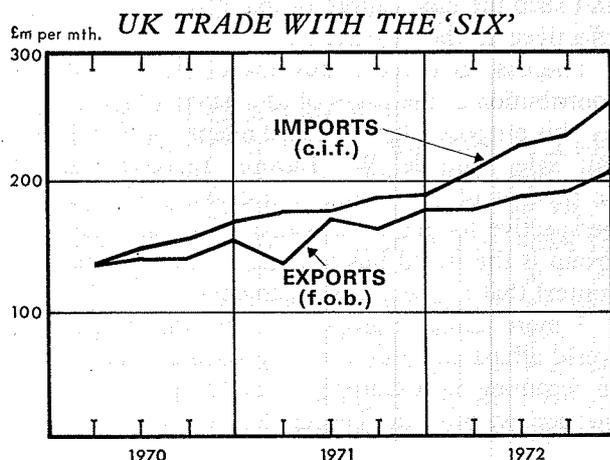
GROWTH IN TRADE 1958-1971

	Between	
	The 'Six'	UK/The 'Six'
	(Number of times)	
Chemicals (incl. man-made fibres)	11	4
Motors	14½	11
Textiles	8½	2
Total trade	7	3½

Britain has not yet had the stimulus to trade provided by a large tariff-free market like the EEC and there is no automatic extension of our 'domestic'



market. Differences between national and indeed local markets will remain and exporters will need to be flexible and differentiate accordingly. In order to obtain any extra business British exporters will have to go out and get it. In this way our markets will gradually be extended. Many existing constraints on trade will eventually disappear or be considerably diminished and this means more opportunities for us, but also for our competitors. The same applies to our customers, and from now on we shall see a progressive increase in trade between the UK and the Continent. Indeed, it may well be under way with ominous trends of an adverse balance of trade widening for the UK, though this is partly due to the boom in British consumer spending.



Businessmen must be realistic about the opportunities and the challenges. The reality is that we are all becoming more exposed to tough competition and the less efficient are going to decline. All companies have had to re-appraise their prospects and those of their customers and prepare their organisations for the changes. Fortunately, there are plenty of strong UK companies eager and able to develop new markets now available to them.

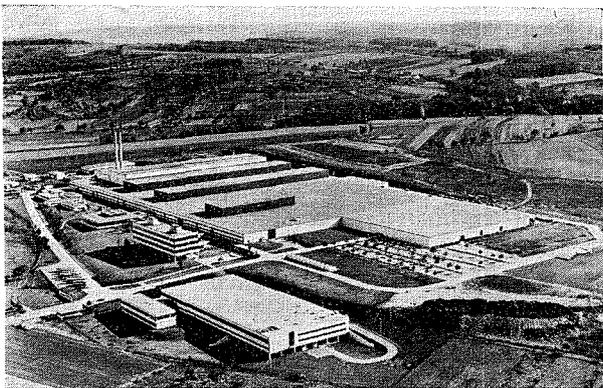
Which companies are likely to gain from the expected increase in trade generated by the enlargement of the EEC? Imports and exports are not achieved without marketing enterprise, followed by regular and reliable deliveries of competitively priced products and good after-sales service. So it will be those who are active in the market place backed up by effective production and distribution, tailor-made for local needs, who will do well.

Managements which can adapt their businesses to an overall European orientation, taking into account specific requirements for local markets, will have the best opportunities. There are several successful examples amongst European and United States companies who discern where their potential growth is, prepare their business strategy accordingly and then implement it effectively. This is not a policy and practice appropriate only for an international group; it is also applicable to smaller businesses which can find places in the enlarged markets for their specialised products or services.

There are many ways in which companies can adapt to the trading changes resulting from our membership of the EEC. They could export either directly or through local agents, or as they grow they will often find it worthwhile to set up selling and servicing subsidiaries. Companies can also get together with other European counterparts and have reciprocal marketing or technical exchanges. We expect to see more joint ventures between British and Continental companies. There will be more acquisitions and investments on the Continent by British companies and also by Continental companies in Britain.

It is in ICI's interests to help customers trade in the EEC so that they too will make the most of their opportunities. ICI's policy is to maintain its strong customer base in the UK and expand its share of Continental markets. Apart from exports and local manufacture, a share in other EEC markets can also be achieved indirectly through customers' exports.

Take the textile industry for example. This is ICI's biggest customer industry in the UK. The ICI group sells fibres, chemicals for processing rayon, cotton and wool, dyestuffs, 'Lightning' fasteners and plastic products, so we are naturally concerned about how the industry will fare in the enlarged EEC. We think it should do well. Out of the five biggest textile groups in the enlarged EEC, four are UK companies: Courtaulds, Coats Patons, English Calico and Carrington Viyella. Size alone



ICI's nylon and 'Terylene' plants at Oestringen, West Germany.

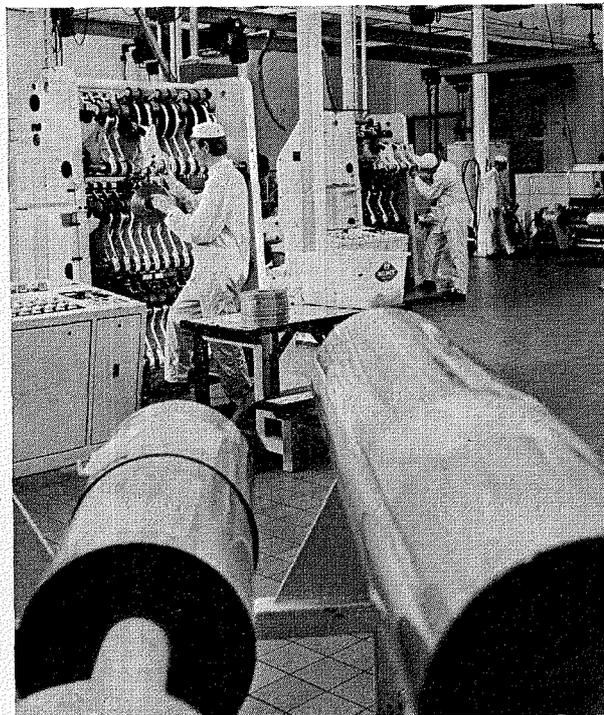
will not ensure success but these companies have the required strengths in marketing enterprise and technical efficiency. They not only export to the Continent but, like ICI, also have substantial manufacturing interests there.

Another very important industry for ICI is the motor car and components industry. The extent to which any business depends on its customers is not always apparent. We are particularly conscious of this because many of ICI products are the raw materials and intermediates for further manufacturing processes. There are often several stages of manufacture and different industries involved in the final product for the consumer. The motor industry and its components is a very good example. We sell them directly paint, upholstery materials, plastics, chemicals and cord for tyres and various engineering products. In addition we have considerable indirect business. For example, soda ash made by our Mond Division is used by Pilkingtons for their 'Triplex' glass for car windscreens. The industry is optimistic about its prospects and our objective is to continue to back up its business at home and abroad with ICI products.

As you would expect from my opening remarks, ICI has not waited for the formal entry of the UK into the EEC before investing on the Continent. We have been steadily strengthening our selling organisation there during the last fifteen years. Our sales in the other countries of the 'Nine' have been built up to an annual rate of about £250 million in the form of exports and also by local manufacture. Our selling companies, with experienced Continental staff, form an effective marketing network throughout the EEC; their sales range covers most ICI products. Our acquisition in the United States of the Atlas Group has also strengthened our marketing teams by the addition of their Continental interests.

We established during the sixties manufacture of our products in Holland, Germany, France and Italy, covering fibres, plastics, chemicals, and formulating facilities for pharmaceuticals and other products.

In recognition of the growing importance of trading and manufacturing in Continental Europe, our 'Europa' organisation was set up in 1960 to co-



Part of the slitting section of ICI's 'Melinex' polyester film plant at Rozenburg.

ordinate and develop ICI's operations there and was moved to Brussels in 1966. So we have been progressively developing our Continental business and thereby preparing ourselves for the entry of the UK into the Community. Our policy of trading and investing there would still have been right however even if the UK had remained outside the EEC. Our marketing and manufacturing activities throughout Europe are being planned in a co-ordinated way. Senior staff have studied the commercial implications for ICI and its customers of the enlarged EEC and have prepared appropriate business strategies. On the financial side, ICI stock is now quoted on a number of Continental exchanges and we have made good use of the Eurobond Market.

As a UK based company expands on the Continent, there are changes affecting its organisation; for example, it must have personnel policies that enable its Continental employees to look forward to the same job opportunities and prospects as UK employees. Otherwise the company will not attract and keep the high calibre people it needs to operate effectively in the enlarged EEC.

There is one caveat I must make at the end of this contribution to the pages of NEW EUROPE. Naturally, for this purpose I have focused mainly on the EEC, but sales outside W. Europe represent about 40 percent of ICI's total world sales. The proper perspective for me as chairman of an international group is the world business scene, and it is in that context that I view the enlargement of the EEC.

A more unified Europe will carry more weight in world affairs and this will be a good influence. But in becoming more European, and less national in our outlook, we must not become less international. □

Carte blanche

by TADPOLE

ONE of the penalties of flying BEA, apart from having Mr. Jack Hawkins at the controls and powdered margarine in the coffee, is the in-flight reading matter you find in the pocket in front of your neighbour's seat – never your own. *Strident Magazine*, I believe they call it. It's usually full of articles about Famous Mussels of the World, Why the Smart Set's Flying to Frinton, and New Storage Shed opened at Heathrow. But a recent number included a piece by Mr. James ('Olds' Chronicle) Cameron complaining in effect that travel ain't wot it used ter be. Farewell the plumèd troop (*Carabinieri*) and the big wars (with H.M. Customs); farewell the neighing steed and the shrill trump (at solo in the second-class lounge); farewell you mortal engines (breaking down on a three-day train ride); farewell those raffish free ports; farewell the foreign correspondent's passport, a stamp-collection of exotic visas; farewell postillions, lightning-struck or otherwise; farewell the phrase book; farewell Abroad. From now on, according to globetrotter Cameron, the Common Market will have killed romance. We'll all speak package-tour English and eat identical pap; we'll cross those drab Community frontiers as if we were going on an office outing to Southsea.

Well, friends, I have news for Mr. Cameron. Picturesquerie may be vanishing. First Spain, then the whole Mediterranean, may become an extension of Blackpool; North Africa, Sénégal, Turkey, India – one by one the unspoiled may turn into the unsightly; one day, perhaps, there'll be no more underdeveloped countries for the tourists' over-exposed snapshots. But Common Market or no Common Market, aid or no aid, economic growth or ecological stagnation, there'll always be one place where travel will still be travel. Abroad will still be bloody and foreigners, by Gad, will still be wogs. I refer, of course, to the white cliffs of Dover.

A rest for the taste buds

A few weeks ago it was my misfortune – shared, but far from mitigated, by roughly 67,000 others – to be stranded in Paris by an air transport strike. Having exhausted the ingenuity of the *chefs de cuisine* at such modest establishments as Lasserre and Le Grand Vefour (unquestionably superior, in my experience, to their nearest three-star rivals), I decided to give my taste buds and bank balance a rest. Hailing a passing barouche, I bade the jarvey whisk me to the Gare du Nord. Three hours, thirty francs, and a

thousand catcalls later, I was out of the *confiture de traffic* and into the corridor of the boat train for *le night-ferry*, cheek by stubbly jowl not only with other refugees from the airline, but also with a tricolor-bonneted mob of football supporters. "Allez, France!" they chanted in straggly unison; "Pardon, Messieurs-Dames", they muttered as their boots smashed the odd tibia; "Merde!" they cried as the night wore on and the train uncoupled and shunted for what seemed several weeks at the port of Dunkirk.

Floating barrack-room

At last the manoeuvres were over, the doors were opened, and the *mêlée* of passengers spilled out on to the quayside. Could we now board the boat and look for a bunk or a deck-chair? *Pas sur votre Nellie*. Toting luggage and lugging totage, we shuffled through the darkness into a large cold shed where officials filtered us through as they pretended to check our passports; then the queue surged slowly upstairs to another bottleneck where two more officials checked our tickets. In about an hour, everyone was aboard the one-class lugger. At this point, your intrepid reporting Tadpole went off duty between hairy blankets in a sort of floating barrack-room, to the sleep of the just – the just-nodding-off-when-another-chap-climbs-into-an-adjacent-berth.

Dark and early that morning, just before sun-up, the cattle-boat seemed to ram something that might have been Dover Harbour, but was probably some nautical command like "Full speed astarn!" I awoke with a start – a head start for the barrack-room ablutions – and made for the promenade deck, slippery with vomit. Slaloming unsteadily, I watched the grey cliffs grow dingy white as we drew up to the dockside, then began the usual mental sweep-stake about where the gangway would be. So did the other 67,000. Eventually, a mute consensus was reached and the bedraggled crowd crushed round the starboard side, amidships. For once they were right. After forty minutes of waiting, while the sleeper coaches trundled about in the bowels of the ship, a gangplank was lowered and those in front squeezed slowly forward on to a small triangle of dock. Here they stopped. At the far side was the entrance to a long, narrow tunnel flanked by two further officials – one dressed as a crumpled bus-conductor, the other as a Dock Green constable – in leisurely parley with the head of the queue. Fortunately, it wasn't raining; but the dawn air was

brisk, and grew brisker as the 67,000 inched forward. "Que j'ai froid aux pieds!" said one football supporter; "Et le Marché Commun?" asked another; "Is it Siberia we're coming to?" inquired a third, English voice. I stamped, groaned, and shivered with the rest. Half an hour later I reached the entrance to the tunnel and showed my passport to the man in bus-conductor disguise. "Where's your landing card?" he demanded. "You'll have to go back on board and get it." Hot words thawed my lips - but it was no good. Back I struggled to the still malodorous vessel. "Why didn't you tell us?" "We've been sitting here for hours issuing landing cards." "But not announcing that we needed them." Passport still only glanced at, I joined the queue with my precious pink card. Another half-hour in the cold, and I was through - free at last to join a coffeeless, breakfastless train that didn't leave for another forty minutes. By 9.20 I was in London: thirteen hours from *gare* to *gare*.

A lantern lecture based on the above experiences is available free of charge from the NEW EUROPE offices, and would probably make good copy for *Strident Magazine*. What the night taught me was

that, with all allowances made for the air strike, there are still two classes of entrants to Britain, and perhaps two classes of traveller. The airborne tourist, even travelling economy class, is treated as a slightly dunderhead client, his eardrums and morale assisted with boiled sweets, his baggage handled for him, his walk from aircraft to terminal building sheltered by a giant concertina. The sleeping-car passenger, likewise, becomes a Southern aristocrat cosseted by a family retainer toughened from encounters with a thousand pairs of socks. But take an ordinary seat on the boat train, first class or third, and you instantly become ferry-fodder - one in a crowd of nondescript, probably undesirable peons, to be kept waiting without apology, subjected to bureaucratic nonsense, and generally regarded as lucky to be allowed ashore. True, on this occasion the Customs were reasonable, and the Dock Green constable spoke French. But now that Britain's at last a member of the European Community, it's about time we scrapped some of the folklore, whatever Mr. Cameron says.

One of these days we'll take a long, hard look at Heathrow. □

EUROPEAN MOVEMENT

Congress of Europe

May 11-13: London: 'Future of the European Society'. Guildhall. Details: Mrs. Caroline de Courcy Ireland. Tel: 01-839 6622.

United Europe Association

May 2: Inverclyde: Europe Week Dinner. Prof. J. D. B. Mitchell. Further details, John Liddell. Tel: Gourock 32494.

May 4: Nottingham: Europe Week Dinner. Rt. Hon. Sir Geoffrey de Freitas, KCMG, MP. Details: Dr. J. Mitchell. Tel: 0602 56101. Ext. 3102.

May 4: Devon/Cornwall: Sixth Form Conference at Guildhall, Plymouth. Further details from Noel Priestley. Tel: Plymouth (0752) 61862.

May 5: Leicestershire: Final of European Quiz Competition, Oakham Castle. Details: Joy Mugford. Tel: Buckminster 460.

May 21: Essex: Reception for European Mayors on occasion of 'Mayor Making' ceremony in Southend. Details: David Atkinson. Tel: Southend-on-Sea 710195.

May 25: Greater Manchester: Public meeting to be addressed by Baroness Elles on 'Social Services in the EEC'. Details: Chris Marrow. Tel: Wilmslow 31552.

European Luncheon Club

May 4: London: Europe Week Meeting. John Davies, MP, Chancellor of the Duchy of Lancaster. National Liberal Club. Details: Mrs. Caroline de Courcy Ireland. Tel: 01-839 6622.

European League for Economic Cooperation

May 15: London: Conference on 'Transport in Europe'. Speakers to include Geoffrey Rippon, MP, John Peyton, MP and Fred Mulley, MP. Hyde Park Hotel, SW1.

Women's Group on Public Welfare

April 29-May 5: Edinburgh: Benelux group attending seminar to study work of women's organisations within the EEC. Further information from Mrs. V. Crankshaw. Tel: 01-636 4066.

DATES FOR YOUR DIARY

Conservative Group for Europe

May 3: London: Annual General Meeting at United Oxford and Cambridge Club, 71 Pall Mall, SW1 at 4.30 p.m. Address by George Thomson.

European Union of Women

May 21: London: Discussion on the European Parliament. Speakers: Peter Kirk, MP and Lord St. Oswald. Buffet supper. St. Stephen's Club, Queen Anne's Gate, SW1. Further information from the Secretary, Conservative Central Office. Tel: 01-229 9000.

May 21: Leicester: Branch luncheon at Grand Hotel. Speaker: J. W. Davies.

Labour Committee for Europe

May 19-20: Manchester: Group seminar at Chequers Hotel, Broad Walk, Buxton, Derbyshire. Details: Alf Shaffman, 122 Albert Avenue, Prestwich, Manchester.

Students for a United Europe

May 21-23 Eslingen: Seminar on 'The Problem of the Migrant Worker in Europe'.

End of May: Sheffield: Teach-in on 'European Economic Policy - An All-European Prices and Incomes Policy?'

Young European Left

May 4-6: Newcastle: Seminar on 'The European City; Housing and Environmental Problems.' For further details of SUE, YEF and YEL events contact Julian Priestley, Youth Officer European Movement, 1A Whitehall Place, London SW1.

Speakers' Service

Details of meetings arranged from Nicola Ross-Farrow. Tel: 01-839 6622.

Censorship travels

THE PERILS OF THE FREE PRESS

by HELEN VLACHOS

Six years ago, on April 21, 1967, a group of officers seized power in Greece.

We were then publishing two daily newspapers. The respectable fifty-year-old morning *Kathimerini*, and the afternoon *Messimvrini*, which was just six years old, modern and lively. In addition, an illustrated weekly, *Ikones*, and books.

The last issue of *Messimvrini* bears the date of April 20, and the last issue of *Kathimerini* April 21. They have never appeared since. We took the decision to suspend all our publications without any hesitation, although at the time we did not even know who the officers were. But we did know they were right-wing, that they had used NATO tanks and regular Army soldiers, and we knew they were deceiving the Greek people and the world on the grandest possible scale. We knew that the rigorous censorship they had immediately imposed was destined to uphold that deception.

The first news bulletins they had issued that morning from the Army broadcasting station had betrayed them. "The Greek government," they announced, "has asked the Army to take over because of imminent danger to the nation... Prime Minister Canellopoulos and King Constantine have signed the decree."

A monstrous lie, and a transparent fake. Canellopoulos, together with the principal members of his government had been arrested the night before. Neither he nor King Constantine had signed anything, no one had asked the Army to take over, as there was no imminent danger of any sort in sight. Except the Army and the police, no one else was armed in Greece, and not a single gun was found on any of the thousands of 'dangerous' men and women arrested in Athens that night.

We had fallen into the hands of ambitious and unscrupulous men, and our only way to dissociate our publications with the new régime was to take refuge in silence.

Six years have passed since that day, six years during which I found myself as closely connected with journalism as ever. Free of the servitude of

chasing deadlines, I had more time to write, and time to read, in blissful comfort, without haste, books and magazines and newspapers – scores of newspapers, Greek, English, French, American. All the important national political newspapers, all the 'greats', the accepted and recognised aristocracy of their kind.

And it was during these years that I became aware of a disturbing phenomenon. I realised that it was not enough to fight censorship inside the country where it is applied.

Because censorship travels.

I repeat this whenever I can, and write it every time I have the opportunity: *Censorship travels*. When the Press of one country loses its freedom free newspapers suffer all over the world. As the régime takes more services under its supervision, improves its secret police and spy system, and puts all the media under control, the foreign newspapers, little by little lose their channels of communication. If they have correspondents living in the country, they have to allow them to protect themselves by opposing the régime as little as possible. If they rely for their information on agencies they are in still worse a position, as these more than the individuals depend on all sorts of technical facilities to do their work. If they ignore an official handout, file news that has not been cleared, disobey orders, they find that their telephone or their telex has mysteriously broken down. It is that simple.

Now, on the receiving end, the editors of the free newspapers are neither naive nor indifferent, and they know how to read between the lines, and they recognise the 'quality' of the official handouts. But they cannot always ignore them. A solemn declaration by the Prime Minister – "All political prisoners will be released before Christmas..." – has to be published. And it was, all over the world, when it was said first at the end of 1967. Since then at regular intervals ministers, spokesmen, ambassadors, have with deliberate indifference either announced that there are no political prisoners in Greece, or that the remaining prisoners will be liberated any day, or that

hundreds recently arrested belong to another category . . .

But why go on? This tragic farce is played on all levels. Censorship for instance has been 'lifted' so many times, that some innocents tend to believe that the Greek Press is free.

The trouble is that promises are news; even lies are news when coming from official sources, and shouted loud enough. On the other hand, the truth has to be whispered, smuggled out of jails, told anonymously. It cannot easily reach the great public. A small example: one morning I read in the London newspapers, that my property was going to be confiscated, and that the *Kathimerini* building - offices, presses and all - would be taken over. It never happened. But it was an agency release, and reached millions of readers. If anyone remembers anything about it, he remembers what he had read. Because, at the end, the reader is the victim. Skimming through the pages of his newspapers he collects these small items of misinformation, files them mechanically in some recess of his memory, and allows them to form a vague pattern, an image that more often than not is completely distorted.

"The régime is more solid than ever . . . It is quite popular in the country . . . There is no resistance . . . Only the Communists and the leftists are against it . . ."

And so it goes. Censorship travels, and so does propaganda. The other day I was looking through an impressive reference book called the *International Year Book and Statesman's Who's Who*. I found my little Colonel freshly decorated with gold crosses of military valour, with records of war-time gallantry that nobody had heard about a few years ago. His biography was almost entirely fictitious, produced by some official Misinformation Service; but how would the reader know?

The only free adults

The pollution that really matters is that which reaches the newspapers. Specially in our days, when the voices that speak up for freedom and democracy and human rights are getting fainter and fainter, and the only ones that sound loud and clear are the ones that find refuge in the pages of these newspapers.

Journalists, leader writers, columnists, correspondents; sometimes one feels that they are among the few really free adults in our regimented world. The young have a fling at being free during their student years and make the most of it while they can, but sooner or later life and its problems catches up with them and silences their protests. Only the crusading writer will go on and on. His power may be limited but his dedication is not. In a way, he finds himself in the same position as the free, independent newspaper, which if it has lost much of its might, has gained a new importance and a new responsibility.

The media have taken over the precious element of power implicit in the words 'news'. News does not travel on paper any more; it races on waves and bursts into pictures, and with flashing immediacy gets right inside the homes of hundreds of millions of people. It is quite rare to find in a newspaper a piece of important news that one has not seen or heard before. One does not even expect it. The newspaper gives the news behind the news; explains, analyses, comments, judges. It is not any more the sole purveyor of news and information, but it is very nearly the only medium courageous and objective enough to speak out on any subject, criticise Governments (its own and of other countries), advise royalty, reveal economic blunders, remind us of moral obligations, fight on the side of oppressed minorities, or, for that matter, of oppressed majorities as well.

The insidious infection

And this newspaper is more than ever the companion of the powerful. Chiefs of state and prime ministers, kings and queens, presidents and dictators, ambassadors and millionaires, top spies and heads of industrial empires sip their orange juice, munch their toast and swallow their tea or coffee with the newspaper of the day in front of them.

There is no substitute for it. It is immobile, restful, patient, always available, and allows every interruption. It does not fly away, fade away, it does not get lost in the same eternal chaos of past radio and television programmes. It reaches all the important people, whether they like it or not, speaking out truths, interfering where they should interfere. And that is why, because of this new dimension, the free newspaper should fight the insidious infection that comes in subtle waves, through official organisations, through well-placed readers' letters, or even from the visitor of good faith who comes back from Greece, disappointed and confused. The skies were blue, the sea lovely, the cafes full of people, the *tavernas* gay. They did not see any signs of 'dictatorship', and the people in the street seemed quite happy.

Yes, I can quite believe it. But using the same way of thinking, I would be justified in saying that everybody in London is perfectly healthy as I did not see anybody in the street lying on the pavement or showing any other kind of sickness.

Your sick are in their homes and in hospitals, and our sick, the victims of the sadism and brutality of the military, are in exile, in jails, in police cells, or in their homes hiding their bruises - moral or physical.

Many visitors who went to Hitler's Germany saw only enthusiasm; others admired Mussolini's trains that arrived on time; and during the last war the Red Cross visited Dachau and saw only a 'normal' prison.

In these kinds of régimes, the façade always looks good. □

citly given the Commission any rights in such a political matter as the extent of workers' participation in industrial management. Yet, because the general purpose of completing the Common Market can be argued to involve the setting up of a 'European Company' statute, and more generally the harmonisation of national company laws, it has been possible for the Commission to put forward proposals which, if accepted, would result in a spreading throughout the Community of forms of workers' participation which at present, following purely national decisions, are to be found only in Germany and the Netherlands.

And in the whole field of social policies in industry - holidays, hours of work, fringe benefits etc. - there is scope for moves towards common standards based on the fears that were at the root of the whole concept of harmonisation: the desire of each member country's industries to make sure that they are not placed at a competitive disadvantage by having to pay for more generous industrial benefits than the industries of their Community partners.

Social Fund scope

All this being said, it is naturally more satisfying for the Commission to have some field of social policy where they can take direct action, and this will now be found in the great expansion of the scope of the Social Fund. In Britain, as elsewhere, there has often been the problem that the central government wished to encourage action in a certain matter, and to ensure that such action conformed to certain standards, without taking the action entirely out of the hands of local authorities. A standard solution used to be the matching grant. If the local authority took action, the central government paid, say, half the cost. But the grant was dependent on the observing of minimum standards. This approach to reconciling the securing of federal standards with the preserving of states' rights is a common device in federations: and the European Community, though only a federation in embryo, is taking a first small step in this direction.

The Social Fund has been in existence since 1961, but on a very modest scale. Total expenditure from 1961 to 1971 was only \$209m. By comparison, the 1975 figure is expected to be \$500m. But as well as a change of scale, there is also to be a change of policy. The fundamental aim of the new Fund is the same as that of the old Fund: to cope with unemployment problems within the Community, primarily by providing industrial re-training through grants of up to 50 percent of local expenditures for this purpose, and through assistance to workers while they found new jobs. But there were restrictions. The workers had to be already unemployed, so it was not possible to anticipate trends that would create unemployment. And because the money came direct from national governments, each country tried to make sure that it got its contribution back

in grants. One result was that though Italy has a major unemployment problem whilst Germany has virtually none, nearly as much money was spent from the old Fund in Germany as in Italy.

From 1975 the money will come from the Community's 'own resources' customs duties, levies, and the Community 1 percent VAT rate, paid direct to the Community. It is argued in Brussels that this will make countries less bothered about getting their '*juste retour*' for contributions. Frankly, this seems naive. Certainly many people in the United Kingdom will be watching carefully to see how far we gain a net benefit from the Social Fund and the Regional Fund to offset our net loss under the Common Agricultural Policy. But the new arrangements for Social Fund spending look promising for Britain.

At least 50 percent of the money will be spent in coping with employment problems, of declining industries and backward regions, which have nothing to do with the effect of any common policies: that is, may be problems simply originating in the country concerned. And most of this will, in fact, be spent in problem regions. All this is good news for a Britain which, for reasons nothing to do with Community membership, is faced with a major need for industrial restructuring, and therefore a great deal of industrial retraining, especially in our own deprived regions.

No firm proposals

However, though all this certainly justifies being called 'social policy', it is concerned with matters which, in British terms, would be Department of Employment concerns. What about the Department of Social Services matters? There are sizeable variations in the social security arrangements in the member countries of the Community, and there is a long-term aim for upward harmonisation. But the Commission's 1971 'Guidelines' are very cautious on this. "Complete standardisation is neither useful nor practicable." And there are, in fact, no firm proposals. Yet the difference between the heavy burden of social security contributions on industry in all the Six compared with the much lighter impact in Britain and Denmark produces a lack of 'equality of conditions of competition' which is much greater than situations which have called forth much more harmonisation effort.

There are excellent reasons for delay. Internal taxation considerations, especially in France, would make it impossible for any real harmonisation of social security contributions to take place in this decade. And in any case the Danes are resolved to veto any change that would increase their high labour costs. So Britain, for whom low employers' contributions help to produce the *lowest* labour costs in the Community, will not need to take any action in order to continue to enjoy this major competitive advantage. □

THE CASE FOR PORTUGAL'S ENTRY INTO THE COMMUNITY

By IAIN SPROAT MP



June 10 is Portugal's national day of celebration, marked by a parade in Lisbon's Piaca do Comercio.

I would predict that Portugal will become a fully-fledged member of the European Economic Community in the 1980s. If I am right, it will not be achieved without stormy opposition both within Europe and within Portugal itself.

In the rest of Western Europe, not least in the United Kingdom, there are those who object to the idea of Portugal joining the EEC because of the political nature of her régime. I consider such objections understandable but old-fashioned, and indeed increasingly out-of-date, and unrelated to changing patterns in Portugal.

They are objections held by those imprisoned in their own memories of the 1930s and by their political heirs, anxious for a clear-cut cause, where distinctions between good and evil, black and white, are, as they think, plainly defined, and to which they can adhere with a simple, self-righteous passion, instead of being compelled by truth to travel in the difficult, grey areas of the political realities of 1973.

To label, and therefore to dismiss, Portugal as a 'fascist' state, to attempt to graft onto Dr. Caetano's government, by false semantic association, the villainies of Mussolini's Italy, or even the criminal barbarity of Hitler's Germany, is at best politically naïve and absurd, and at worst a deliberate distortion of gigantic size.

Course of change

Salazar is dead. Dr. Caetano's government is set on a steady course of change and liberalisation, at as fast a pace, on average, as is compatible with the realities of the Portuguese social and political framework within which he must operate. To pretend otherwise serves neither truth nor the new Europe.

As a Westminster democrat, I profoundly disagree with the political structure of Portugal. Similarly, I would criticize strongly the methods of government in Yugoslavia, to take a régime of the left, and one which incidentally, in spite of its escape from the status of Soviet satellite, remains an infinitely more repressive police state than does Portugal, although attracting only a fraction of the external abuse.

But I would hope that both countries will, by the end of the next decade, be members of an enlarged European community that has not shown itself too arrogant or too inflexible to be unable to accommodate such divergent examples of the life-enhancing variety of the European achievement.

As I wrote above, however, there remains widespread and potent opposition within Portugal itself to the idea of their country joining the EEC. This opposition centres largely round the belief that Portugal's future lies less in Europe and more in Africa, namely in the territories of Mozambique, Angola, Portuguese Guinea, and the Cape Verde islands.

To many, elsewhere in Europe, this may seem an extraordinary belief to hold in 1973. After all, Portugal has been fighting expensive wars in all these territories – in the case of Angola since 1961 – eating up in the process some 27 percent of her GNP.

It is equally true that the rest of the former colonial powers long ago granted independence to all but the smallest remaining parts of their empires. While this is not the place to go into the ideological rights and wrongs of Portugal's presence in Africa, it is undeniably true that her presence there runs contrary to current fashionable thinking.

Concentration on Africa

Of course, that does not necessarily mean that Portugal is wrong, but it certainly does mean that she must absorb a great deal of national abuse, never agreeable for any country, but particularly hard for one that is relatively small and poor.

Nonetheless, in order to understand the attitude of Portugal to Europe, it is necessary to understand how, in spite of these harsh factors, so many Portuguese still believe their country should concentrate her energies on Africa.

First, the questions of the wars in Mozambique, Angola and Guinea. The truth is that in each territory, to a greater or lesser extent, the Portuguese have in fact so far contained the rebel movements successfully. This is a statement quite beyond the question of whether or not the Portuguese ought to be in Africa.

But because Portuguese propaganda is appalling, and because the propaganda of the rebel movements, FRELIMO, MPLA, and PAIGC, is excellent, and because the majority of countries of the UN wish to believe, for ideological reasons, that the Portuguese are losing, most people do not realise that the Portuguese have been astonishingly successful.

As long as they are prepared to continue spending 27 percent of their GNP – not 45 percent as is sometimes quoted – on defence, there seems no immediate reason why they should be dislodged.

Reasons for staying

And from the Portuguese point of view there are strong reasons for staying: Mozambique and Angola are potentially very rich countries. The Cabora Bassa dam in Mozambique, now proceeding precisely on schedule in spite of all terrorist efforts, will open up vast new areas for development. Angola is rich in minerals and coffee, and there is substantial oil off Cabinda, the Angolan enclave north of the Zaire river.

Guinea, admittedly, is desperately poor with little but cashew nuts, and 40 percent of the land uninhabited, and much of the rest under water when the tide comes in. But even in Guinea, the Portuguese feel powerful pulls to stay. The mere fact that

they have been in these territories, in one way or another, for some 500 years makes their position different from, say, British settlements in Africa where very often their history went back less than 100 years.

Again the Portuguese still feel, rightly or wrongly, a strong sense of civilizing, Europeanising – and I would stress that word – mission. The Portuguese are now building what must be more schools, houses, hospitals, roads etc., for the Africans than any other country in the Continent. In particular, they feel that their dedicated multi-racialism, very different from the attitudes in South Africa, Rhodesia, or for that matter Uganda, is a pilot solution for wider ills elsewhere in the world.

I would also say that the mere possession of these vast African territories, quite apart from any potential wealth from them, gives Portugal a sense of purpose and a significance in the world she would not otherwise have.

All these factors combine to make the argument that Portugal should look more to Africa and less to Europe, by her own lights, undeniably respectable.

Nonetheless, I believe the argument to be wrong. Portugal in Africa may take one of many courses. Her links there may indeed grow in strength. She may create multi-racial societies in Mozambique and Angola not unlike Brazil. But at this stage these links are problematical. Her links with Europe, on the other hand, are inevitable and unbreakable.

The unbroken treaty

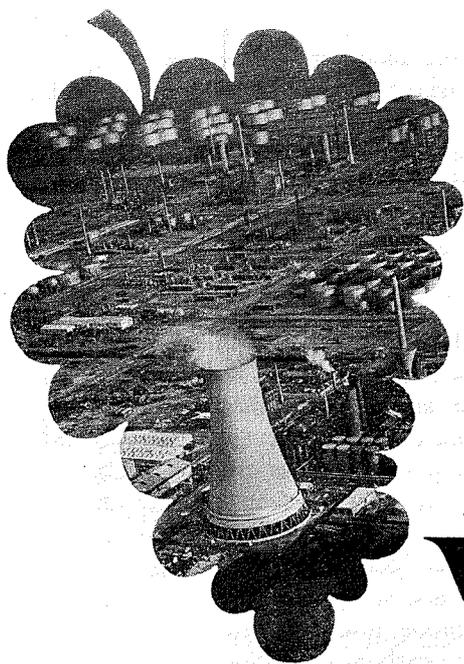
Portugal has already played a uniquely important part in the development of the European achievement; her part in repulsing the Moors; her part in the Crusades; her famous astronomers and map-makers and mathematicians and discoverers. Arnold Toynbee, it may be remembered, divides the history of western civilisation into before and after Vasco da Gama.

With England, of course, Portugal this year celebrates six centuries of unbroken treaty.

Portugal signed the Special Relations Agreement last year with the EEC which safeguarded Portuguese tomatoes, cork and wine. She also won protection against competition for certain of her infant industries better than that afforded to other EFTA countries.

With some 55 percent of her trade, the EEC will now become Portugal's most important single commercial partner. And undoubtedly one of the most difficult and important tasks of Dr. Caetano's government over the next years will be to gear Portuguese industry to face European rivals in open competition.

Portugal cannot ignore, and ultimately cannot be outside, the growing strength and unity of Europe. She can ignore neither the European roots of her past, nor the European prospects of her future. □



GRAPES AND WRATH

by
MARGOT LYON

BORDEAUX, said its mayor, ex-premier Jacques Chaban-Delmas, recently, was an old city that had found a new youth. It was a meeting point of past and future.

Until about ten years ago Bordeaux and the whole Aquitaine region of which it is the centre had been sinking elegantly into decadence. In an earlier age the region was fertile and agriculturally prosperous. Right back in the days of Eleanor of Aquitaine (which began three centuries of British rule) an export trade in Bordeaux wines had developed, and became a permanent mainstay of local affluence. Later, when France developed her colonial empire Bordeaux was the chief port for the trade with Africa, the West Indies, the Far East. Coffee, cocoa, tropical woods, silks and ivories were the chief wealth, apart from the shipping trade itself. Legend says that the quaysides used to smell of vanilla, rum and sandalwood. And of course, of barrels of wine.

But the industrial revolution scarcely touched Aquitaine, which has neither coal nor iron; it brought no new wealth. The colonial trade carried the town along, naval dockyards were developed, and the local wealthy families lived on their dividends – that they invested in Northern France, or abroad.

It was only after the end of World War II, when the French Empire dissolved, that Aquitaine felt the full impact of past neglect. The small scale factories that processed tropical foodstuffs, wood and some metal goods were no match for tough post-war competition. Even the produce of the great vineyards did not sell very well. When most of the rest of

France began its period of post-war affluence in the 60s, Aquitaine at last measured its plight.

Five thousand acres of industrial zone were marked out in the vicinity of the city. An expansion committee encouraged 200 new firms to settle in the area. A branch of Marcel Dassault's aeronautics firm was developed; a space research centre opened. America's IBM and TRW (Thomson-Ramo-Wooldridge electronics) settled in the area, and Ford began a \$100 million plant. Now, firms find an excellent new airport, a new suspension bridge over the Garonne, plans for a new motorway between Paris and Spain; plus hopes – repeated by President Pompidou – that the Common Market may soon make a new trade pact with Spain, thus lessening Bordeaux's remoteness. Altogether, a sense of dynamism has invaded the air.

Land values doubled

The wine trade has felt it most. Indeed the Bordeaux wine industry has seen its prices tripled over the last few years, with no apparent limit in sight. The market value of land has doubled in only two years. On the spot, old French landowners are being bought out by American, British and even Japanese investors hungry to own land in what has suddenly become an area of 'red gold'. If one asks what made the vineyards ferment to this extent, speculation is the short answer. Otherwise one could say a series of lean harvests, combining with swiftly expanding export markets, have made prices soar.

Sceptics foresee that one day the bubble will burst

as suddenly as it has blown up. But most Aquitaine men, who believe that there is no wine in the world like Bordeaux wine, are passionately convinced that the export market can logically go nowhere but up. True, the 100 chateau vineyards whose prices have risen so fast produce only about a fiftieth of the total Bordeaux output. But they are the pacesetters. All the others rise when they rise.

But such artisanal production still leaves a high unemployment rate. Perhaps that is why some anonymous bureaucrat gave the green light to the Shell Oil company when they asked to expand their old plant at Pauillac in the Medoc wine region, in 1967. The Shell company had built a small refinery at Pauillac in 1932 that had been destroyed and rebuilt in 1948. Then, they took no particular precautions to prevent pollution, though they were close to three famous vintages; but no harm was ever done or even said to have been done to the grape harvest.

In the middle of nowhere

"The anti-pollution fashion has only sprung up over the last three years," a Shell official remarked to me as I was shown over the new plant at Pauillac. It is a huge new refinery which was opened in September 1970, capable of treating 4 million tons of crude oil a year. But looking at the huge tanks, the network of giant pipes and the two 250-foot tall chimneys; smelling the crude oil and listening to the roar of the furnaces, one cannot help feeling it was a mistake, if only for aesthetic, environmental reasons, to set all this down in a landscape of vineyards.

Besides, the refinery is industrially in the middle of nowhere, on the Gironde estuary 30 miles from Bordeaux, with nothing but reeds and rushes on the shore line. A Shell official assured me that the land was classified as an industrial zone. And I learned in the *préfecture* that the planners now aim to build up a big petro-chemical complex to run along the 60 miles between Bordeaux and the small town of Le Verdon, where the estuary meets the Atlantic. Le Verdon can already receive oil tankers of 200,000 tons and has attracted Esso and the French ELF-ERAP oil company. There are hopes of building a big new town at Le Verdon by the end of the century, based on the refineries and the lighter industries they will have generated along the estuary. Some local leaders such as Jacques Vaiade told me that with so much capacity for refinement, a steam-cracking unit could be built which would make the Gironde one of the biggest refinery zones of France, linked by pipeline to Toulouse.

Why was not the Shell plant built right out of the vineyard region, nearer to the Atlantic and Le Verdon? I was told that when Shell pioneered back in 1928 nothing existed at Le Verdon so it was natural to aim nearer to Bordeaux; and that, frankly, at that time the Medoc wines — though esteemed —

did not make the area rich in the way industries might. First planning permits were given, and the next and the next. The director of Shell at Pauillac told me his firm was summoned back after the war, and I believe him. Yet it is odd that no one had second thoughts before the big extension was begun in 1967. A faceless bureaucrat's gaffe? Possibly, though much darker rumours inevitably circulate in Bordeaux.

One result is certain: the Shell company now takes the pollution question immensely seriously. About 10 per cent of the total new investment has been spent on anti-pollution measures. First of all the obvious precautions to prevent leakage; then the utmost care to purify all water used in the plant, and in any case to draw water from a water table 300 metres deep, over 100 times lower than any vine root. Against air pollution there are the extra tall chimneys and also some of the latest installations in France — flotation towers, corrugated plate interceptors, hydro-carbon separation by air flotation. The level of air pollution on the ground was now lower than it used to be in the days of the old refinery I was told. Finally, for purely aesthetic reasons the company had spent 3 million francs to hide the flare which in 1970 burned 24 hours non-stop, turning the night sky a Wagnerian red.

The company does not plan to extend, or to build petro-chemical industries in the district. This possibly because Shell has run into so much unanticipated trouble, and cost, over the location of its new plant. It has probably not seen the end of its pains, for there is now war between the vinegrowers and the refinery.

"... barbarous happening"

Baron Philippe de Rothschild, who owns Chateau Mouton-Rothschild with vineyards less than a mile away from the oil plant, said the whole thing was "a sheer, disgusting, stupid, barbarous happening." And a horror that was a permanent threat to vineyards that were the most precious not only in France but in the world, he added. He told me the local landowners had formed an association to defend themselves. Scientists were watching out daily for the least sign of pollution. The scientists had assured them that on a day-to-day basis nothing was likely to happen. But what about an accident, or even sabotage? "In a couple of hours the whole Pauillac vineyards could be ruined. And if the whole thing burned up it could cost the oil company billions and billions and billions" said the baron.

Ten years ago Shell would have laughed at Baron Philippe's exaggeration. But these days Bordeaux wine prices and Bordeaux vineyard prices being what they are and the pollution question having escalated everywhere, Shell is probably giving Baron Philippe and his association very careful attention indeed. □

The Role of the Economic and Social Committee



by A. LAPPAS
Chairman of the Committee

In January the Community institutions marked the accession of the new Member States by ceremonies and formal sessions. The Economic and Social Committee, too, has welcomed new delegations – which are unfortunately not yet complete – and got down to its work, the importance of which can scarcely be underestimated since the programme for the development of the Community which was adopted at the Paris Summit Conference must be implemented in the years ahead. But before I deal with this point I would like to make some general remarks on the Committee's activities especially since there are no comparable institutions in the new Member States where the Committee is less well-known than other Community bodies.

The Committee is an advisory body which was set up in order to involve the various sectors of the population in the creation of a common market and to give them a say in the decisions of the European executives. It originally had 101 members representing the various categories of economic and social activity – producers, farmers, workers, dealers, craftsmen, carriers, professional occupations and the general public. As a result of enlargement the number of Committee members has been increased to 144.

The committee exercises its advisory function mainly by delivering 'opinions' on draft regulations and directives referred to it by the Council or by the Commission. The Committee must be consulted on matters falling within the following fields: agriculture, particularly implementation of the common agricultural policy; social policy; freedom of movement for workers; right of establishment; freedom to provide services; transport; approximation of laws; European Social Fund and common policy for vocational training. The Committee can be – and very often is – consulted on other matters. Since its creation in 1958, the Committee has delivered more than 500 opinions ranging over practically the whole field of Community activity.

The enlargement of the Committee has occurred at an historic moment – now that three countries have joined, the future success of the Communities will hinge *inter alia* on their internal consolidation. The remarkable improvement in the standard of living registered in the past years has not benefited all classes or regions of the Community to the same extent. This is why the Economic and Social Committee has repeatedly urged the Commission and the Council of the European Communities to lay the foundations for a smooth development of economic and social activities in the Community.

All the sectors of the population represented in the Committee are convinced that an economic and monetary union must be created. Here, it should be noted that past progress towards economic integration may result in an overall imbalance of individual national economies having direct repercussions on the development of the Community as a whole. The economic and monetary union must therefore be backed up by real coordination of short- and medium-term economic policies and faster progress towards common social, regional and industrial policies.

Our advanced degree of economic integration has furthered cooperation between Community undertakings – as witness the many joint ventures, branch establishments and mergers despite the multiplicity of obstacles at European level. This is very much to be welcomed but we must regret that there is still no real social or socio-political counterpart.

Freedom of movement was formally introduced several years ago. But it has not improved the employment of workers in the less-developed and structurally deficient regions, nor has it brought greater social justice. These aims can only be attained by a common social policy which disposes of new instruments at European level.

An economic policy which prefers to consider workers in the less-developed regions of the Community as a reserve pool of labour harbours great dangers for the future, dangers whose extent can only be guessed at present. This is why the Committee welcomes the increased efforts which the Commission is making to facilitate the integration of foreign workers in their host countries.

But if the regional conditions of employment are to be improved the Community institutions, and particularly the Permanent Committee for Employment and the European Social Fund, must use the full powers given to them and pursue an effective common policy on employment as soon as possible.

There has long been a strong case for a common regional policy which will shelter the peripheral less-developed regions and structurally deficient regions of the Community from economic backwardness.

The plight of the conurbations, which can hardly solve their infrastructural and environmental problems with their own resources, is now disquieting. The absence of an effective regional policy might

quite quickly pose a threat to the existence of the Community. The Committee trusts that the relevant ideas put forward by the Commission in its memorandum on regional policy will soon be reflected in Council decisions.

We all know that the drawing up and application of a common agricultural policy necessitated untiring perseverance and struggles, but this did not prevent sharp public criticism of certain aspects of the system. The Commission has drawn wide-ranging conclusions which have been expressly upheld by the Economic and Social Committee in several of its opinions. Apart from a simplification of the price and market policy, a reform must put the main emphasis on modernisation of agricultural structures. But this must be coupled with effective economic, regional and social measures to ensure that the structural changes are not inhuman. In the advanced industrialised countries, secure energy supplies are nowadays a key factor in the equilibrium of economic growth, security of employment and improvement of living standards. It has been calculated that energy supplies may pose serious problems as early as this decade if the Community fails to formulate a vigorous common energy policy.

This is why the Committee considers that the Commission's proposals for creating a solid basis for common energy supplies have certainly not been put forward for discussion too early.

I will conclude my list of the urgent problems facing the Community with a few words on protection of environment, a problem which is more and more in the public eye and is now a vital task of general social policy. Conservation and improvement of the human environment, which will more and more require common solutions if discrimination between our countries is to be avoided, must be furthered by a Community action programme laying down general guidelines and specific measures.

Policy and people

As the Economic and Social Committee pointed out as long ago as its opinion on the general situation of the Community in 1969, the policy and the activity of the Community must of necessity revolve around people. In the long term, only a Community which offers its citizens effective protection and lasting security, social progress and better quality of life will be considered worthwhile by its citizens.

But these problems cannot be solved at Community level without a certain degree of change in the institutional framework. Increasing participation of the two sides of industry, a Community decision resolved on at the Summit Conference of Heads of State and Government in Paris is a first step in this direction and is welcomed by the Committee.

The implications for the Economic and Social Committee are of importance since the harmonious

development of economic and social activity depends in part on how much weight it has in the European policy-making process. For this reason, the Committee has long considered a right of initiative and wider publicising of its meetings and its work to be vital. At the Paris Summit Conference this view was taken into account and the institutions of the Community were expressly asked to give a right of initiative to the Economic and Social Committee in future for all questions relating to the work of the Community. The Committee is determined to use this new right extensively and as soon as possible. It is for the Committee to use its right of initiative so as to help forward the decision-making process in the Community.

Here, a reference should be made to the fears which are occasionally expressed that enlargement of the powers of the Economic and Social Committee might erode the role and rights of the European Parliament. These fears are completely groundless. There is no question of substituting a corporative representation for the European Parliament – a democratic body whose members will, we hope, be selected by free, direct elections – nor of restricting its all-inclusive responsibility. The aim, rather, is to bring into the open the influence exercised by the various categories of economic and social activity on policy decisions.

The European Parliament's role

What is at issue is not whether these categories influence Community decisions, but how they should do so – by hidden pressures or by open argument. If we really want the European union – which according to the Heads of State and Government is to be founded on democracy, freedom of opinion, free movement of people and ideas and the co-responsibility of the peoples through their freely elected representatives – we must begin by making the European Parliament a genuine legislative assembly. Here, the Parliament can count on the qualified support of the Economic and Social Committee.

Concurrently, it would be possible to consider establishing a system of appropriately graded economic and social councils, set up on a regional and national basis and culminating in the Economic and Social Committee of the Communities, which would have to be equipped with commensurate powers.

The Committee is aware that in the long run, and particularly from the angle of attainment of economic and monetary union, a radical recasting of the Community machinery set up by the Treaties is indispensable. But such a recasting can only be accepted and supported by the various categories of economic and social activity if they have a real say in Community decision-making and if economic and social policy decision are subject to democratic control. □

The question mark over the Dollar



by Stephan Schattmann

THOSE who did not join in the euphoria about the Smithsonian settlement in December 1971 because they did not think the margin between the dollar and the currencies of the surplus countries sufficient for a lasting improvement of the US balance of trade and balance of payments were thought to be chronic pessimists or something worse.

The so-called pessimists did not share the view of the optimists who believe that relatively small alterations of the exchange rate are sufficient to bring about a virtual volte-face in the balance of payments. (The econometric formula which appeared to be able to state with certainty that a lowering of the dollar's exchange rate by 1 percent was equivalent to an improvement of the American balance of payments to the tune of about \$800m still awaits practical proof). As it turned out the international currency markets joined the ranks of the doubting Thomases who feel that far greater changes in the international price system are required to bring about a greater degree of re-

direction of the international flow of goods and services.

If a country devalues its currency twice in little more than a year the world tends to have little illusion about its economic stability, and the future of its currency. Yet, in the case of the dollar, such a sombre diagnosis seems hardly appropriate. Indeed, since the first devaluation of the dollar in December 1971 the United States has significantly reduced its rate of inflation, lowered the level of unemployment and increased productivity markedly. This can hardly be described as evidence of an economy suffering a grave malaise. What is seriously wrong however, indeed disquieting, is the development of the US balance of payments.

To anyone under thirty-five years of age it must sound almost ludicrous that from the end of World War II to the late 50s the problem bedeviling the world was one of a scarcity and not a surfeit of dollars. Indeed, there was more than one academic economist who was convinced that the perpetual dollar

gap was one of the basic economic laws of our time.

What is it that has changed the dollar from a currency once in chronically short supply to one in such abundance that central banks are unwilling to increase their holdings beyond certain limits? The simple answer is that it is the result of a procedure over a number of years by which deficits in the American balance of payments were covered by continually adding to short term dollar claims by foreigners.

The initial effect

That the first devaluation would lead to a deterioration of the US balance of payments to begin with was generally accepted. For, as any British reader knows only too well, import prices rise at once upon devaluation, whereas many export prices remain at their old level. And it is bound to take some time until the change in import and export relationships overcomes this initial effect. But it is not easy even for those who take a rather sanguine view of things to explain why the US balance of payments, far from showing any signs of improvement, has worsened further.

One must leave it to the model builder to find an explanation that at least satisfies himself. To those who find it impossible to ignore the human element in matters and problems economic (that is, who are aware that economics is essentially a social science) the following thought, increasingly discussed in the US as well, might appear relevant. It took almost twenty years after World War II before consumer goods imports really captured American markets on a major scale. Once the consumer has got used to them and has enough money to afford them, he sees little reason to drop them from his purchases now that they have become dearer.

Then again, a substantial part of American industrial production which should provide the increase in exports has been moved overseas. Some American manufacturers are already aware that nowadays it would be cheaper for them to supply the European market from their US plants than from their European subsidiaries. Yet even American management which tends to move faster than its European opposite numbers, hesitates to go back home once the change has been made.

Dismantling the barriers

Nor must it be ignored that the American industry with the highest productivity advantage – agriculture – can make little if any headway in the EEC however favourable its prices, as long as the CAP continues in its present form. And if to all this one adds the increase in oil imports, estimated for each successive year at an additional \$1,000M, the future outlook does provide food for thought.

But, of course, not only prices and exchange rates affect a balance of payments. Interest rates, too, play a very important part. In the United States rates are significantly higher than they were after the first devaluation and the trend remains upwards. In other words, they provide an incentive for a repatriation of funds from Europe.

Then again, export promotion helps to strengthen the dollar. In President Nixon's view this means largely a dismantling of barriers put up by other countries which discriminate against imports from the USA. This policy will be pursued to the full in the forthcoming GATT talks, backed by the threat of higher US barriers against European exports if the Europeans should prove obstreperous. The trouble is that this is the kind of game two can play.

Yet there is one glaring omission in the President's drive to improve the US balance of payments structure. Invisible imports – that is, export of US capital – are not to be cut back. Indeed, last February's agreement expressly states that all restrictions still in force are to be done away with by the end of next year. In other words, to acquire further assets abroad is as important, or possibly more so, than the improvement of the balance of payments by efforts at home.

A brighter dollar image?

To make the world safe for dollar imperialism may be a rather strong way of putting it. But many ordinary Americans one talks to these days honestly believe that it is the turn of the Europeans, once the recipients of the largesse of Marshal Aid, to make their contribution to a better international trade and payments system.

What really matters is the kind of economic policy the USA is going to pursue in the future. Anti-inflationary measures have reduced the rate of inflation by half during the last two years. If they continue to be applied successfully, the dollar's image should certainly look brighter, bearing in mind that in Europe inflationary pressure remains high.

As for prices, the short-term trend does not look necessarily all that favourable. In the course of its current boom the American economy is rapidly approaching the limits of its capacity. Price and wage controls have been largely dismantled. All the evidence points to a more marked rise in the cost of living during the first half of the year at least. Yet a recurrence of the 1969 and 1970 trend when prices went up by 6 percent a year seems unlikely.

In the longer term the inflationary pressure which, in the final analysis, was caused by the Vietnam war is more likely to subside. Though the careful observer might note that European countries have managed 6 percent and more without a war. And an American might fairly add that before the Vietnam war the price climate in the United States was

usually more favourable than in most other countries, ignoring in this context Germany and Switzerland. President Nixon's policy of containing budgetary expenditure (whatever its implications in the field of social policy) and the attitude of the meat-buying public indicate that a predilection for stable prices has survived war inflation.

So we have a longer-term picture which looks quite bright, while in the short run the US authorities have little if any intention, to take drastic pruning action on the balance of payments. It is thus tantamount to self-deception to assume that the dollar devaluation in February with its correction of the Smithsonian realignment has brought peace on the currency front. The Continental bloc floating is little else but a make-shift arrangement. It is certainly no substitute for the more than overdue reform of the world currency system – which means a change in the international role of the dollar as a reserve currency.

And the problem which it is facing is really that of large amounts of dollars outside the United States which are unable, as it were, to find a permanent home. As long as there are doubts about the correctness of particular exchange rate relationships the dollar surfeit is bound to contribute to the speculation on exchange rate adjustments not justified by price relationships.

Should the reform be much further delayed (which is primarily a matter of the political will) this could easily present new problems also for those countries which have tried to build joint defences against the unwanted dollars by common floating. For, in the event of a renewed outbreak of speculation fever, their exchange rates could rise to a level involving a considerable competitive handicap for their exports. If they were not willing to tolerate this (as seems feasible) there would be no alternative but for their central banks to take up dollars once again. And this is where we came in. □

REQUIRED: MORE REALISM

THE draftsmen of the EEC Paris summit communiqué of last October insisted that 1980 should be the deadline for the establishment of a fully fledged economic union. One was wondering at the time whether the Rome Treaty really did provide the wherewithals to transform the Economic Community in stages into an economic and currency union. This view is shared by Hans von de Groeben, a former EEC Commissioner, who has expressed it unequivocally in a study on the 'aims and methods of European integration', published earlier this year.

Of the integration targets of the Rome Treaty only the customs union, free movement of goods, competition policy and the elimination of discrimination have so far been realised. Whenever a common EEC policy is called for, such as in the case of the Common Agricultural Policy, little progress has yet been made in tackling problems arising from the application of such a policy. And in other markets where intervention is to be deliberate, such as energy or transport, no common policy has yet been formulated.

The authors of the study (14 Germans and one Dutchman including several former senior Brussels officials) do not think the EEC Treaty provides the instruments with which to co-ordinate the national economic policies of member countries. Indeed, they think that the aims of the Werner plan to achieve an economic and currency union through gradual co-ordination are quite unrealistic because the institutions of the Community are not suitable for this kind of approach.

Yet it does seem possible, indeed quite feasible, to

formulate and apply a common currency policy before the execution of a joint economic policy. Clearly, the members of the study group think little of the idea put forward time and again by member governments to move toward a joint currency and economic union on parallel lines. What, then are the institutional changes required for an effective co-ordination of economic and currency policies? The main change called for is an amendment of the Rome Treaty to give more power to the European Parliament. This should certainly not sound unfamiliar to British ears. They go further and even think in terms of a second chamber, though they have few illusions that their plans would prove easily acceptable in political terms.

Changing the framework

Politicians tend to simplify issues; of this the Paris communiqué of last October is a perfect example. To draw attention to targets being more complex and their realisation more difficult than has hitherto been assumed – at least in public – is refreshing evidence of an urgently needed realism. The question that many are pondering with increasing anxiety is whether the politicians really want to change the framework to make theoretical discussion lead to practical realisation. Against this kind of background HMG's solitary opposition to the European Monetary Co-operation Fund being established in Luxembourg does not augur too well – at any rate in the absence of any attempt to explain this policy. *STEPHAN SCHATTMANN*

EUROPA ARTS

To mix joy with regret I must record that the 10th World Theatre Season which opened at the Aldwych Theatre on March 26 (and continues until June 16) may be the last of its kind. Peter Daubeney who organises and plans these remarkable international programmes is retiring because of ill-health and the ever-increasing cost of presentation.

Whereas many foreign governments assist their national groups to come to London, the World Season receives little official British support, apart from the Greater London Council, the City of London, and some private grants. It seems impossible that what has become one of London's most important cultural events, and perhaps the leading international theatre festival, may be allowed to disappear.

Urgent talks are taking place between the Government, the Arts Council and the British Council, to ensure this does not happen. Meanwhile, as a parting gift, Mr. Daubeney has organised the longest and most exciting season of his career - 10 weeks, with twenty productions from ten countries. The season opened with the first visit of the Bochum Schauspielhaus with *Little Man - What Now?*, a spectacular revue about life in Berlin in the twenties and thirties. Those who saw the stage and film versions of *Cabaret* found it a more authentic slice of Berlin life.

Bochum, founded in 1919 in the industrial Ruhr, is one of Germany's leading companies. Then followed the return visit of last year's sensational production of Lorca's *Yerma* by the Nuria Espert Company from Madrid. From Austria the Burgtheater presented Arthur Schnitzler's famous *Lieberlei*, followed by the Comedie Francaise celebrating Moliere's tercentenary with productions of *Le Malade Imaginaire* and *Le Medecin Volant*.

The French players then gave us their version of Shakespeare's *Richard III*, produced by Terry Hands, the first Englishman to direct at the Comedie Francaise. This month is particularly rich; first two famous companies from Italy, Peppino de Filippo's group in his own Neapolitan play, and the welcome return of the Compagnia dei Giovanni, in works by Pirandello and Fabri. From May 14 the Rideau de Bruxelles, the first Belgian company to visit the Festival, performs Apollinaire's *L'Enchanteur Pourrissant*, a re-telling of the story of Merlin in fantastic costumes and masks. On the 21st, the Stary Theatre

from Cracow again presents their famous adaptation of Doestoyevsky's *The Possessed*; another classic, Ibsen's *The Wild Duck* from the Royal Dramatic Theatre, Sweden, comes on the 28th. In June the final productions at the Aldwych Theatre will be the Japanese No Group, and the equally exotic version of *Macbeth* by the Zulu Company from Natal.

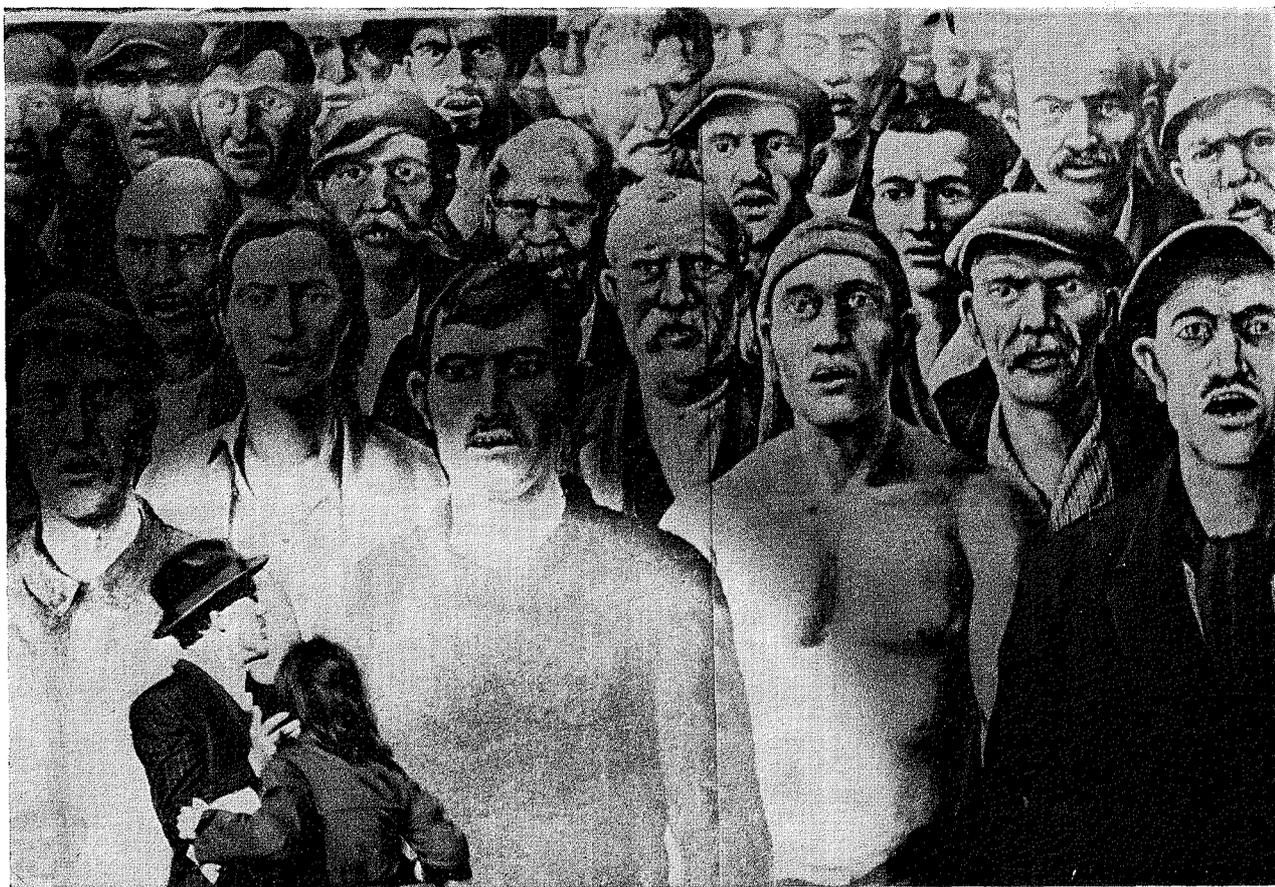
Stratford

While all this is going on in the London home, the Royal Shakespeare Company opened its 114th season at Stratford-on-Avon (until December) with Terry Hands' new version of *Romeo and Juliet*, with Estelle Kohler and Timothy Dalton as the ill-starred lovers. Miss Kohler first appeared as Juliet at Stratford in 1967, and has since established herself as one of our leading classical players. She is accompanied by one of our theatrical veterans, Beatrix Lehmann as the Nurse. The repertoire includes an interesting experiment in which Ian Richardson and Richard Pasco alternate the parts of the King and Bolingbroke in *Richard II*. Later in the season we shall see Eileen Atkins as Rosalind in *As You Like It*. This romantic role is unusual for an actress who made her mark in *The Killing of Sister George* and later as Queen Elizabeth in *Vivat, Vivat, Regina!* Miss Atkins is unquestionably the most gifted and exciting British actress of her generation.

The National

There is always more drama backstage than on stage. Anyone who has had anything to do with a new production will recognise the truth of that. The most prolonged, and moving, drama in Britain's theatre centres around Lord Olivier and the National Company. Acclaimed time and again as our greatest actor, his directorship of the National has not always met with equal praise. It is well known that there was constant friction between Olivier, the late Lord Chandos, chairman of the board of governors, and the theatre's literary adviser Kenneth Tynan. This ill-feeling broke out into a public declaration of war when Olivier and Tynan were debarred from staging Hochbuth's play *The Soldiers*, in which Churchill's role in the death of the Polish General Sikorsky was analysed.

More recently the drama at the National has



'Little Man - What Now?' the spectacular revue about life in the Berlin of the twenties, opened Peter Daubeney's World Theatre season. Actors before the chilling backdrop are Heinrich Giskes and Hamelore Hoger

centred around Olivier's serious illness and a period of poor box office. With a superhuman effort Lord Olivier came back into the theatre and in *Long Day's Journey into Night* gave the company a resounding hit. That triggered off a series of excellent productions and a new lease of life for the company. But at the back of everyone's mind was the question how long could Olivier remain as director?

A compromise was reached in the appointment of Peter Hall to the job, but he, it appears, is not being allowed to take over completely until the company is installed in its magnificent new theatre on the South Bank - some time next year, one hopes! It is, after all, only human that Olivier should want to lead his company into their permanent home. There will be two auditoriums in the new building, one called the Lyttleton Theatre, after Lord Chandos, and the other the Olivier. There, at last, the two rivals will rest in peace.

Awards

Lord Olivier, incidentally, won this year's *Evening Standard* Award as best actor. Now in their 19th year, the *Evening Standard* awards are to include ballet and opera. Two panels have been appointed but it is difficult to understand precisely what they will be honouring, whether new operas and ballets, or merely outstanding contributions in these fields. That could be a composer, librettist,

choreographer or performer.

I do hope that somewhere along the line - both in the musical theatre as well as for the dramatic stage - someone will give a thought to stage design. Not nearly enough critical attention is paid to the visual side of the theatre. Two new productions at Covent Garden and the Coliseum depend on design. Tchaikovsky's *Sleeping Beauty* is the most spectacular full-length ballet in the repertoire, created in St. Petersburg in 1890 precisely as a great showpiece - although both the music and the original choreography are magnificent. Part of the spectacular plan was a shift in time of about 100 years from the curse to the Princess's awakening - so that two entirely different stylistic periods could be depicted. It is probably the biggest challenge to any stage artist. For Kenneth Macmillan's new version at the Royal Opera House a young designer, Peter Farmer, has been given his head - but hardly with satisfactory results.

Lavish decorations and colour are not enough for the old war horse - they must be backed up with perfect period research and the capacity to combine a vast number of stylistic details into impressive and appropriate images. Covent Garden should know there are no short cuts on such a project. If they do not have the money they should stick to less demanding classics, or modern works which require little setting.

At the Coliseum John Copley's new version of *La Traviata* has been designed by David Walker. Not as scenically demanding as *The Sleeping Beauty*, Verdi's opera still requires expert period setting. Although a little lacking in style, the new Coliseum production is at least convincingly placed in the mid-nineteenth century.

Veterans

This month a number of leading London galleries have exhibitions by veteran artists. Marlborough Fine Art shows an important retrospective of the 82-year-old sculptor Jacques Lipshitz, now living in the United States who helped choose 45 carvings and bronzes and 15 drawings which trace his career from Cubism to the present. Less known, but no less important, is the Dutch painter Cesar Domela, now 73 and living in Paris. Anely Juda Fine Art, off Tottenham Court Road, has his first major show in this country. A friend of Mondrian, Domela's work first concentrated on geometric abstraction and then turned to rhythmic reliefs in materials like plastic, copper and wood.



Detail from one of 'Convict Gilbert's' drawings at the Campbell and Franks Gallery in London.



Gluck, shown above with one of her paintings at the Fine Art Society's 1932 exhibition. Now in her 78th year, she returns to the Society with a retrospective exhibition.

At Waddington Gallery there is Ivon Hitchens, now in his eightieth year, still vigorously painting his charming views of the English landscape. Then at the Hamet Gallery there is a show of drawings by Paul Nash, who died in 1946, to coincide with a new book on the artist by Margo Eates.

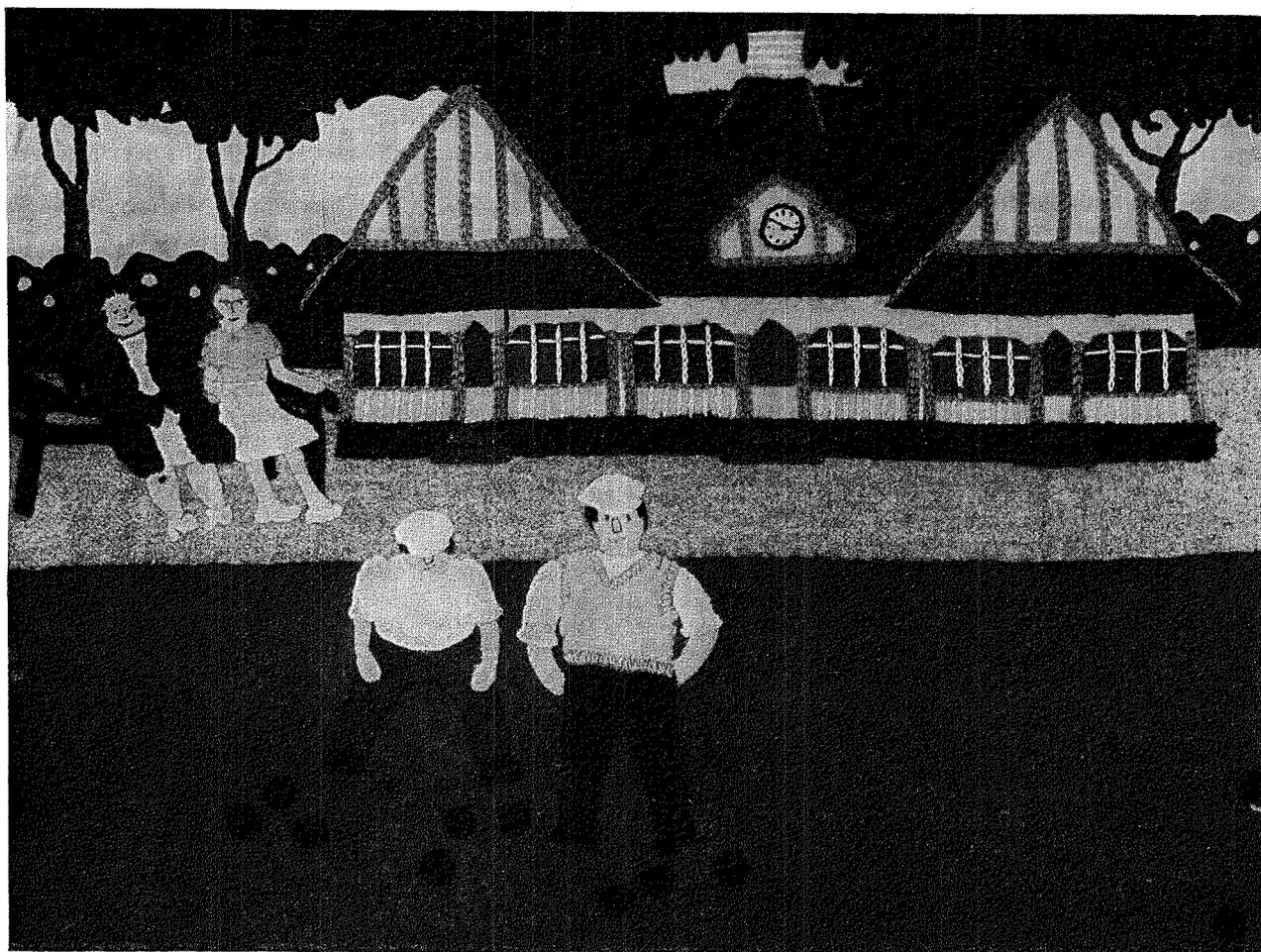
But perhaps the most remarkable of these veterans is the woman painter Gluck, born in 1895 and self-taught. She returns to the Fine Art Society in Bond Street, where she had considerable success in the thirties, with a retrospective group of oils and gouaches - portraits, music-hall scenes, flower pieces, all meticulously painted in a very individual manner. I feel sure Gluck will be one of the great rediscoveries of the year.

The most unusual exhibition, however, this month is James Gilbert at the Campbell and Franks Gallery, 37 New Cavendish Street. Now thirty-nine, Gilbert has been in prison most of his life, and is at present serving a six-year sentence. It was during a previous stretch at Dartmoor that he took up art. As a result, earlier this year the National Association for Criminal Resettlement put on a show of his work in Bath - with sales running to over £3,000.

Now the Home Office have given permission for a commercial exhibition, the proceeds of which will go to Gilbert's wife and three children in Bethnal Green. The artist who signs his work 'Convict Gilbert', is unquestionably gifted. His work is, of course, uneven, but he displays a remarkable ability with watercolour, in particular, in vivid impressions of prison life or memories of his East End childhood.

Culture in Sussex

This time of year Sussex lures the culture-vulture to the Chichester Theatre season, from May 9 to September 15, and the Brighton Festival,



Glenys Sida's embroidered picture 'The Bowling Green' at the Victoria and Albert's Craftsmen's Art show.

May 9 to 20. Sir John Clements, who took over Chichester from Lord Olivier, will be retiring after this season – in favour of the actor Keith Michell. Meanwhile Sir John himself stars in Anouilh's *The Director of the Opera* and directs a revival of Pinero's brilliant farce *Dandy Dick*, with Alastair Sim and Patricia Routledge. Irene Worth leads in Chekhov's *The Seagull*, with Robert Stephens as Trigorin – directed by Jonathan Miller. Perhaps the most unusual work in the programme is a new musical play by Peter Ustinov, *R Loves J* with the Israeli actor Topol in the lead.

The Brighton Festival is a far more diverse affair, with concerts, plays, entertainments and exhibitions. As an overall theme the Festival have adopted *The British In India*, not inappropriate in view of the Indian inspiration behind the Prince Regent's fabulous Royal Pavilion. The Festival includes classical Indian dancing, a programme of films on Indian themes, some based on Kipling's tales, with an evening of readings devoted to the famous writer. By far the most important manifestation is the exhibition at Brighton Museum, a charming and colourful survey of the role played by the British in India from the early 1600s to the end of our rule there in 1947.

Arts and crafts

The most beautifully arranged exhibition in London this month is *The Craftsman's Art* at the Victoria and Albert Museum. Although there is a Craft Centre in London, and a permanent exhibition of contemporary design, this is the first comprehensive exhibition of its kind, organised by the Crafts Advisory Committee with the backing of Lord Eccles, Minister for the Arts. More than 400 objects are on view, made by some 230 craftsmen from all parts of the country. The range is formidable – familiar ceramics and weaving accompanied by splendid examples of bookbinding, leatherwork, glass, musical instruments.

The point of the exhibition is not to show traditional work as such, rather the creative and experimental aspects of modern craft. The display, charming and bright, deserves praise in view of the vast number of objects. My only criticism is the difficulty of finding out what things cost. With so many lovely objects to tempt your purse, prices should have been listed in the catalogue especially as the V & A have waived their normal ban on sales.

CHARLES SPENCER

BOOKS

Europe, the Radical Challenge

By Hugh Thomas (Weidenfeld & Nicolson, £3.50)

The future President of Europe should be sharply different from the President of the United States. He should not be elected for four years because of the paralysing effect which long election campaigns have on political decision making, and because a long run in the supreme office narrows political choice.

Hugh Thomas argues his thesis with a side swipe also at Britain's political history: "Britain, after all, has been full of people who might have made good prime ministers, but have never had the chance because of the long term, life time (as it often seems) dominance of single limpet-like leaders."

So he urges us to look for inspiration to Switzerland, where the presidency rotates every year among cabinet ministers, or to the ancient Roman republic.

Thomas regards the point of major importance: "An acceptance of this idea would prevent the prolonged and often distasteful arguments about personalities which distort much political writing."

His thoughts on the future presidency of a European Federation are one of many fertile suggestions which Thomas puts forward for the new Europe. As a professor at Reading University he has ideas also on the future of European education. He believes that the increasingly internationally minded students will demand common holiday times, "and from that will be one step towards the discussion of common syllabuses". Preliminary steps along these lines should be taken as soon as possible.

For good measure Thomas adds: "It might lead to many political dividends if we were to accept, and press for the acceptance by others, of the old idea that French might become the universal second language at first in Europe and then in the world". He believes that this would lead to the possibility "of real international comprehension in an obvious way as well as satisfying the latent French linguistic chauvinism". It might also stir up some other linguistic chauvinisms, besides running into more practical difficulties.

These are but a couple of the cherries that decorate this Thomas cake. The bulk of it aims to satisfy another need. He makes it clear

already on page 2 that for him "there is now only one serious political possibility ahead of us: namely to achieve a federal and democratic united community of Europe, in which the needs of different regions and classes are creatively realised".

And he has written this book as one more bid to convince the Labour movement to which he has a deep emotional attachment that this objective is ideologically respectable.

Thomas is a missionary as well as an historian. So in his attempt to convert the Labour Party back to Europeanism he quotes the 19th century French political theorist Proudhon - "whose phrase 'Property Is Theft' made him one of the most famous fathers of socialism" - for his other thesis that a federation of nations was "essential in order, primarily, to guarantee the interests of smaller countries".

With evangelistic fervour he spreads his net to catch quotes from Trotsky and Aristide Briand, the Labour Party National Executive Committee (1962, "No Socialist will cling to national sovereignty for its own sake"), and Harold Wilson (1967) urging that the whole history of political progress is a history of gradual abandonment of national sovereignty.

And to left wingers who scoff at this 'capitalist' Community as a breeding ground for more monopolies, he retorts that its 'prevailing mood' will probably be 'democratic socialist'. He bases this belief on the character of the institutions already created, in particular the Commission, on the "nature of the desires of the more enterprising of Europeans", and on the trend of events within Europe since 1957. His vision is of "an undogmatic socialism, to be sure, similar to the ideology-free socialism of the entente powers during the first world war".

The Power of the Purse in the European Communities

By David Coombes (Chatham House/PEP, £1.25)

When the Parliament of the enlarged European Community met for the first time at the beginning of the year in their borrowed premises in Strasbourg, the British newcomers entered its history with a flourish. Peter Kirk brought with him a lengthy memorandum setting out ideas for the reform of the Parliament's procedures and practices and submitted them to its Bureau on the first day. Many of the suggestions it contained were borrowed from the familiar Westminster experience.

This raised an interesting point:

An unusual vision, and possibly not one to tempt the Foots, Shores and Scanlons from their present paths.

Time hardens physical deafness. But Thomas has written this book in the evident hope - he says he is an 'optimist' - that time aided by repeated argument will cure political deafness.

That argument alone can do the trick in this case is more than doubtful. I remember Hugh Scanlon, the president of the engineering union, astonishing members of the Foreign Press Association at a Savoy Hotel luncheon with a horror tale of the price of coffee which he had recently paid in a French cafe. He said he did not know how French workers could afford it. And blithely ignored the fact that French workers were well able to afford it. Against such blind prejudice even Hugh Thomas' ardent advocacy may be doomed to failure.

Time has a better chance of success. While the British voters remain opposed to them, the majority of the Labour Party will continue to hug their anti-European obsessions as their only comfort in an hostile world. But once the voters swing back and electoral victory is in sight, they will relax and quickly adapt to the European realities that will face them in government. Such speedy adaptations to reality are as much the fabric of party political history as violent dogmatic lurches in opposition. As Thomas points out, it will be that much easier because Harold Wilson, James Callaghan, *et al* have only to go back to their earlier thoughts on the subject.

And as Harold Wilson himself told Willy Brandt a couple of years back: "You can do things in government which you cannot in opposition."

He was talking about Europe.

WILLIAM WOLFF

is the European Parliament to become a Community-size version of the House of Commons, or is it to continue to be a unique animal - a strange amalgam of European parliamentary practice and Community innovation? It is, after all, not yet a parliament of the type to which we are accustomed in our different countries. It is one element in the pattern of Community institutions in which no single one has the function of 'Government'.

The authors of the Rome Treaty may have intended the European Parliament to develop into a conventional parliament, but it has still to do so. Meanwhile, there are many people who have strong doubts about its capacities and aptitudes. As Pro-

fessor Coombes points out in his latest study, even in the context of control over the Community budget, doubts have been thrown on the wisdom of vesting the parliament with anything more than consultative powers. Strengthening the European Parliament at the expense of the Council is seen as weakening the role of national governments which are either democratically elected themselves or answerable to democratically elected national parliaments.

Undoubtedly, the Treaty of Luxembourg of 1970 increased the powers of the Parliament. From 1975 it will be in a position to play havoc with the 'non-obligatory' expenditure of the Community. This will enable it - theoretically at least - to do such things as cut the heating budget of the Council and freeze it into submission. But as Coombes rightly argues, the provisions of the Luxembourg Treaty are important only if they provide the basis for further, more substantial changes in the powers of the Community institutions. This makes sense not just for those who believe that the European Parliament should be

given the same basic privileges as belong traditionally to national parliaments in budgetary matters, but also from the point of view of efficient administration and policy making.

Coombes is at his best when dealing with parliamentary control of the administration of the budget. He points to the shift in interest by national parliamentarians away from attempting to ensure that government expenditure is restrained at all costs and towards preventing inefficient expenditure and misallocation. It is in this area he argues that the European Parliament can be most effective.

This is an important study written by one of the leading experts on parliamentary control of the budget. Although it is essentially academic in tone, the author displays both political sensitivity and imagination. There have been a number of significant British contributions to the debate on the European Parliament during the last few months. In the long-run, this could prove to be one of the most important.

CHRISTOPHER IRWIN

Labour Movements in the Common Market Countries

By Marguerite Bouvard (Pall Mall Press for Praeger. £7.25)

Industrial Democracy and the Worker-Owned Firm

By Carl J. Bellas (Praeger. £4.50)

The Economics of Workers' Management

By Jan Vanek (Allen and Unwin. £5.80)

Government spokesmen have been giving broad hints lately that their thinking is in advance of the CBI and of most British employers because HMG recognises that the unfettered right of management to manage as they wish is no longer on. They may be softening up industry for a compromise solution on the EEC Commission's proposals, coming before the Council of Ministers, which would bring in a two-tier company board structure with employee representation on the supervisory board, on the German co-determination model.

The TUC has itself come round to the view that there is something in the system, after having taken a rather aloof view of the German experience over the years. But they are bidding for a supercharged version with half rather than one-third employee representation on the supervisory board, elected through the unions. They seek union representation on the management board, too, which is not guaranteed in Germany.

All this seems a foretaste of battles

to come, because the CBI are firmly opposed to the two-tier system, including supervisory boards, especially if unions might be represented in their own right. It will be a pity if hard infighting, plus the Commission's own determined policy line should preclude experimentation with a variety of methods which are on offer, internationally, for achieving greater industrial democracy.

Marguerite Bouvard, in her new book, includes a brief description of the German co-determination system and of union determination to press forward with it over the years. The work outlines the union and industrial relations structures in the original EEC member countries, but its main purposes are to review these structures at the European Community level, to consider the pressure groups operating and to appraise the Community's social policies. The subject is meticulously researched and impeccably analysed and I consider this the best book in its field for some years. (One demurs only at the price and regrets the tendency of publishers, now, to charge what they think the market will bear with little apparent relationship to actual costs.)

In recent years most British unions have rather opted out of the debates on workers' control versus worker participation and which version of either system was best. It is a pity that these questions have become mainly the concern of political minorities

within the trade union and labour movement because it provides worthwhile debate, especially if international experience is tapped for hard evidence.

One of the lesser known overseas systems is that of producer co-operative factories, sometimes overlooked as no more than a British 19th century relic. It not only survives but is thriving, strangely enough, in North America - largely in the plywood industry in the states of Washington and Oregon. Carl J. Bellas takes a detailed look at this way of industrial life.

Some of these producer co-operatives are pretty successful, others less so, but all apparently have survival ability in circumstances where normal 'capitalist' firms would go under. There are useful descriptions of how they work but the study is perhaps rather too statistical and concerned with the quantification or performance to have wide non-specialist appeal.

There is another system of industrial democracy, however, which, to me, is more exciting and more fundamental than co-determination, producer co-operatives or any of the other systems operating in fully industrialised countries. That is the workers' self-management system as practised throughout Yugoslavia.

The remarkable thing about it is how anything so sophisticated and which reconciles so many apparent opposites can have grown up in a country which is still mainly agrarian. The whole system is in the middle of a severe hiccup at the moment due to national anti-inflation policies. In normal times it has a basic stability yet is constantly in flux as changes and adaptations based on experience are made. Genuine self-management has been introduced by what is nominally a Communist state yet the enterprises rely on a free market economy more than most capitalist countries. (The EEC, incidentally provides 49 percent of Yugoslavia's imports and takes 41 percent of its exports.)

The representative workers' councils run their own enterprises yet do so within certain guidelines laid down nationally. Workers fix their own pay levels, which are not negotiated, and the unions take no direct part in it. Pay differentials are usually based on job evaluation formulae but it is possible (though not common) for top people to be overtaken in pay by the less skilled.

One can go on with these apparent oddities but it is only when the system is studied at first hand that it begins to make sense and appreciation grows as to the fundamental realism of this conception of industrial democracy. There is no shortage of studies

in English about the system because the Yugoslavs have taken great pains to promote its merits to visiting delegations and to students of all kinds.

The latest study by Jan Vanek is a very full and scholarly work which is particularly strong on the economic behaviour of Yugoslav enterprises, although it is rather a pity it excludes what we would call public services, such as social services, health and education which, in my limited experience, are among the most fascinating self-management operations.

It would, in my view, be a very worthwhile experiment for the EEC to promote some pilot projects in self-management and perhaps in producer cooperatives at the same time as pressing ahead with the co-determination approach to industrial democracy in other areas. We don't, after all, want harmonisation to bring uniformity.

COLIN BEEVER

From Ormond To Mansholt

By J. A. Heslin (*Folens, paperback 70p*)

This text book, which is designed to meet the requirements of a senior course in economic history, traces the development of the Irish economy from the late seventeenth century to the present day. Inevitably in covering, for such an audience, so broad a span and dealing with the variety of intricate relationships involved in economic development, it is an essay in compression and simplification rather than in profound analysis. Nevertheless the reader is encouraged to pursue his interest through a bibliography which follows the text.

The material is presented in chronological order, the period from 1660 to 1971 being covered in seven chapters. Within each chapter there is first a general survey of the main features of the years concerned and then a more detailed account of the fortunes of the main industrial sectors. This procedure helps one to identify the shifting fortunes of, for example, agriculture, mining, the textile industry, brewing and distilling and shipbuilding. It means, however, that one sometimes loses a sense of continuity in the fortunes of an industry in successive periods, which may be of equal or greater importance in understanding its development than its relation to other industries within the same time period.

Within the context of the European Communities it is especially important that we should provide school children with accounts of their antecedents as informative and compassionate a nature as we are able. In the history of all our countries there are sufficient examples of misunderstanding, op-

pression and bad faith to fan the embers of nationalism. Equally there is the opportunity to learn from past successes and failures to our mutual advantage. Mr. Heslin deserves good marks on this score. Faced with a history in which both political and economic relations with Britain seem so often unfair and unfortunate, he shows, overall, an ability to understand the British viewpoint and to recognise that failings in the Irish economy often arose from structural weaknesses rather than British turpitude.

Mr. Heslin makes no attempt to impose an artificial unity on the complex pattern of Irish economic history. His account does, however, point to the risks implicit in the association of economically weak peripheral areas with stronger, more centrally located regions. In such circumstances the pressures on population to migrate to the more prosperous regions may result in social disintegration and economic hardship in remote regions. At the time at which the Community is attempting to evolve a regional policy it is right to be reminded that the stakes are very high. If, throughout the Community, there is a sense of mutual benefit the forces tending to unite Europe will be strengthened. If in contrast some regions, rightly or wrongly, believe that their interests are not recognised or are always overridden within the Community, no treaty will be able to maintain unity. The economic history of Ireland emphasises how difficult this proved for Britain. We must hope that the Community will do better.

J. S. MARSH

Peasants Against Politics: Rural Organisation in Brittany, 1911-1967

By Suzanne Berger (*Oxford University Press, £6.00, Harvard University Press*)

Few regions are more fascinating than Brittany, for the student of the transformations in peasant society in Europe since the war. Its economic problems are grave; but partly for this reason, its peasants are unusually dynamic and articulate – and they have tended to react violently, whether *against* change and progress (as Dorgères and his sinister 'greenshirts' in the 1930s) or *for* it (as Alexis Gourvennec with his 'artichoke wars' in the early 1960s).

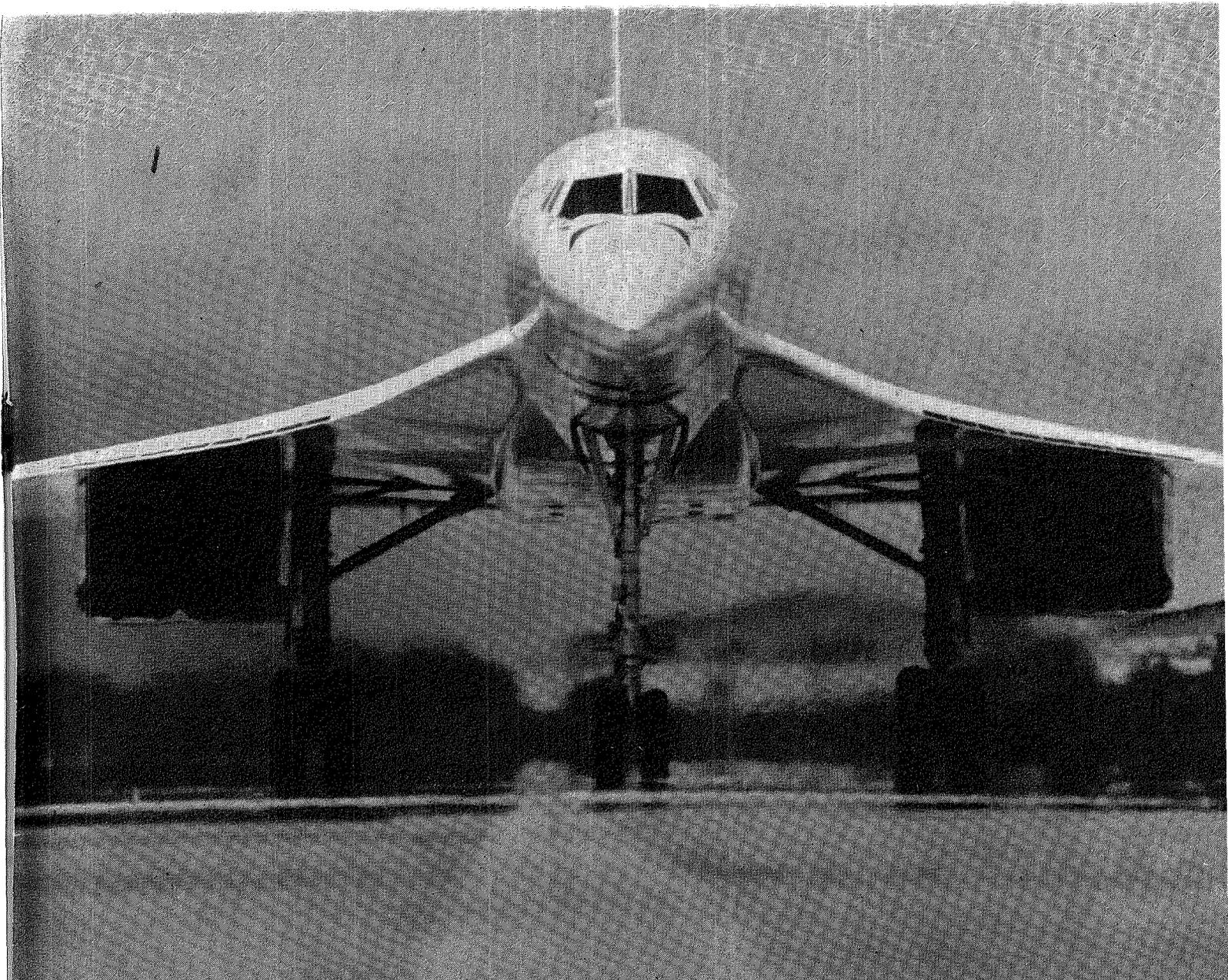
Breton peasants have produced more than their share of new radical ideas, and so a book that analyses their movements since 1911 seems welcome – but I wish Miss Berger's had been a better one. Her director of studies at

Harvard was Henry Kissinger, but he does not seem to have fired her with the lucidity and sharpness of approach that he himself has shown as scholar and diplomat. Like many American political scientists she opts for the wordy abstraction – "This study has not altogether resolved the problems of comparability raised by the generalisation of its conclusions" (quite so!) – and her analysis of historical events contains a confusing lack of factual detail.

Within these limits, she has some useful points to make about the main Breton developments – the reasons for Brittany's past poverty and feudalism, the pre-war Fascist outbursts, the growth of the cooperative movement, the failure of Vichy's 'corporatism', and, most important, the rise since the war of an entirely new and much more progressive outlook among younger farmers. But with Miss Berger's central thesis I do not entirely agree. This is that Breton rural organisations – mainly the unions – remain alienated from the political life of the French nation. I do not think that, today, this is any more or any less true of Breton peasants than it is of other sections of French society. It is true, as she explains, that French centralism continues to make it hard for local political bodies to have much influence at local level – as they usually can, say, in Britain. They have to 'aim for the centre', that is, seek a change of power in Paris – and here they usually fail, as the elections have once again reminded us. But this is just as true of workers, or even of professional bodies, as it is of peasants – in Britain or elsewhere.

The rural world has made huge progress since the war in bridging the historic gulf between 'paysan' and 'citadin' and integrating itself into the nation. This Miss Berger underestimates. I even detect, beneath her solemn academicism, a streak of romantic Leftism in her lament at the peasants' failure to join in the 1968 political battle against the regime. But could it be, simply, that the peasants find they have benefited from this regime? And that practical joint action, on an economic and technical level, has brought them better rewards than politicking? As the rural exodus goes on apace in Brittany, and as the Pisani and Mansholt reforms begin to bite, so the old-style discontent has been dying away. But it is a further measure of Miss Berger's misjudgement of her subject that this book, printed in 1972, makes virtually no reference to the huge impact of the EEC on Breton farming.

JOHN ARDAGH



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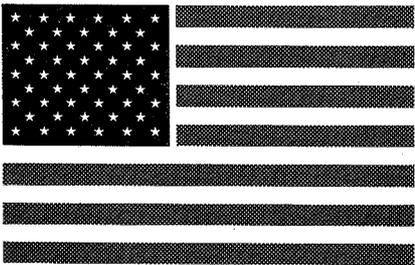
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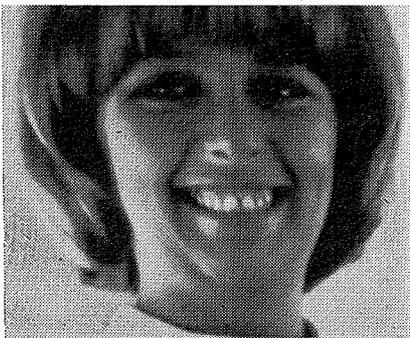
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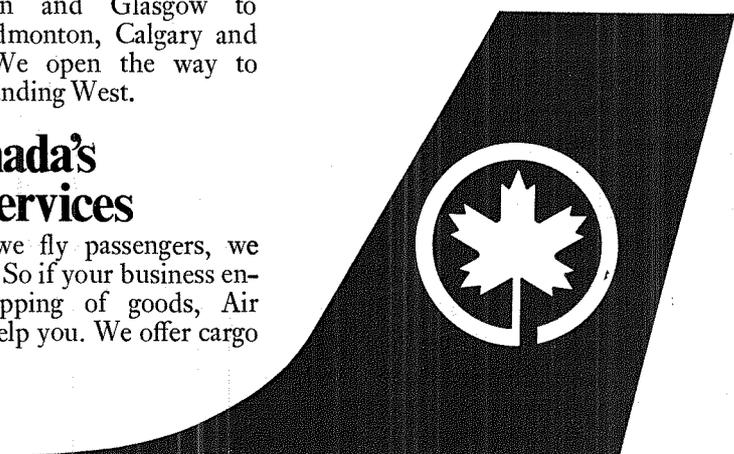
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