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SI BUREAU MEETING HAMBURG



Helmut Schmidt, Willy Brandt, Michael Manley

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Socialist International

SI BUREAU MEETING

HAMBURG

The first Bureau meeting of the Socialist International in 1978 was held in Hamburg on February 9-10, 1978, at the invitation of the German Social Democratic Party. Willy Brandt chaired the meeting which was attended by eighty participants (see list below) and six guests.

The participants included two Vice-Presidents of the Socialist International — Joop den Uyl, Leader of the Dutch Labour Party, and Irène Pétry, Chairman of the International Council of Social Democratic Women — and an Honorary President of the Socialist International, Walter Bringolf (Switzerland). Five Prime Ministers participated in the meeting: Anker Joergensen (Denmark), Helmut Schmidt (Federal Ger-

many), Michael Manley (Jamaica), Sir Seewoosagur Ramgoolam (Mauritius) and Odvar Nordli (Norway).

Among the guests were Hans-Ulrich Klose, Mayor of Hamburg, Otto Kersten, General Secretary of the International Confederation of Free Trade Unions, Wilhelm Haferkamp, Vice-President of the Commission of the European Community and Michael Harrington, National Chairperson of the Democratic Socialist Organising Committee, USA.

A speech of welcome to the Bureau was made by Helmut Schmidt, Federal German Chancellor and Vice-Chairman of the German Social Democratic Party.

The two principal themes of the meeting

were "Employment Policies" and "Socialism and Institutions in the Eighties". Hans Apel, Federal German Finance Minister, and Willy Claes, Belgian Minister for Economic Affairs, opened the discussion on employment policies. Pier Luigi Romita, Secretary of the Italian Social Democratic Party, introduced the subject of Socialism and Institutions in the Eighties.

Michael Manley spoke on the present state of North-South relations and stressed the need for structural changes in the international system of trade.

(The texts of the Apel, Claes, and Manley speeches are published elsewhere in this issue.)

Shimon Peres, Chairman of the Israel



Left to right: Otto Kersten, Hans Apel, Michael Manley, Willy Brandt, Bernt Carlsson, Helmut Schmidt, Hans-Ulrich Klose, Irène Pétry, Vera Matthias

Labour Party, informed the Bureau about the current situation in the Middle East.

Among the decisions taken by the meeting were the following:

- (1) To establish a working group to prepare proposals for a new Declaration of Principles of the Socialist International. The members of the group are: (Chairman) Felipe Gonzalez — General Secretary, Spanish Socialist Workers Party (PSOE); Karel van Miert — Co-Chairman, Belgian Socialist Party; Reulf Steen — Chairman, Norwegian Labour Party; and Bernt Carlsson — General Secretary, Socialist International.
- (2) To establish a Socialist International

Study Group on employment policies. The members will be the Belgian Socialist Party, British Labour Party, Norwegian Labour Party and the General Secretaries of the Socialist International and the International Confederation of Free Trade Unions, ICFTU.

(3) To send representatives of the Socialist International to observe the elections in Guatemala in March 1978 and in the Dominican Republic in May 1978.

(4) To adopt unanimously a resolution on the problem of terrorism (see below).

(5) The Socialist International mission to Latin America will visit Mexico, Costa Rica, Venezuela, the Dominican Republic and Jamaica in March 1978, under the

leadership of Mario Soares, Prime Minister of Portugal.

(6) "North-South Relations" will be the main theme of the Socialist International Bureau meeting to be held in Dakar, on May 12-13, 1978.

(7) To recommend to the Socialist International Congress in Vancouver, Canada, in November 1978, that the Democratic Socialist Organising Committee of the United States, at present a consultative member of the Socialist International, be admitted to full membership of the Socialist International.

(8) To adopt the budget of the Socialist International for 1978.

Resolution on the problem of terrorism, as adopted by the Hamburg Bureau on February 9-10, 1978.

Ever since it was founded the Socialist International has sought to win the widest possible support for the ideals of a socialist society, including peace, democracy and human rights.

We have always understood that the only way to win that support is by democratic example supplemented by patient and continuous education and persuasion. Others who seek to win support for their views through acts of terrorism, which often cause death and suffering to people not involved in the conflict, are using methods which are not only morally indefensible but also cannot possibly succeed in furthering their objectives.

In countries where there is no possibility of achieving social and political change through democratic political processes, the

struggle of people and political forces to establish independence, democracy and freedom is justified. But there is no such justification in a pluralist country.

One of the many evil effects of terrorism is that it plays into the hands of the most reactionary forces in Europe and throughout the world, because these reactionary elements use the existence of terrorism, and the general public revulsion against it, as an excuse to defame not merely the terrorists but peaceful progressive movements as well. The result, all too often, is a climate of political vilification and ideological witch-hunts.

Democratic socialists therefore face a struggle on two fronts: against terrorism, and against rightist political extremism which is strengthened by terrorism.

We believe that that struggle should be conducted by these means:

(1) We must seek constantly to improve, refine and extend our democratic processes and institutions.

(2) We must fight even harder for social justice, for democratic rights and for peaceful coexistence throughout the world.

(3) We must encourage the mass media to avoid highly-coloured and sensationalised publicity for terrorist groups, and to ensure sober and factual reporting of both the acts of the terrorists and the measures which governments take to combat them.

(4) We must conduct the fight against terrorism without departing from constitutional and democratic principles, without infringing civil liberties, and with the use of only the minimum necessary amount of restraints.

The Socialist International affirms its solidarity with everybody engaged in this struggle.

Left to right: Habib Thiam, Caroline Diop, Francisco Lopez Real, Luis Yañez-Barnuevo, Helga Soto, Gunnar Stenarv, Ingemund Bengtsson.



Participants

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Hector Oqueli

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Enrica Lucarelli

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Karel van Miert

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Per Haekkerup

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James Burty David

Kher Jagatsingh

Gian Nath

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Joop den Uyl

Wim Bogaard

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United States (DSOC)

Michael Harrington

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Hans-Ulrich Klose

International Confederation of

Free Trade Unions

Otto Kersten

EEC Commission

Wilhelm Haferkamp

Barbados

O'Brien Trotman

Brazil

Leonel Brizola

Apologies

Australian Labor Party

Partido Liberacion Nacional, Costa Rica

Japan Democratic Socialist Party

New Zealand Labour Party

Nepal — B. P. Koirala (imprisoned)

South Korea — Kim Dae Jung (imprisoned)

From left to right: Eskild Jensen, Reiulf Steen, Odvar Nordli.



HAMBURG

SOCIALISM AND EMPLOYMENT

Hans Apel

Report presented to the Bureau meeting on February 9, 1978, by the Federal German Finance Minister:

Analysing the structure of unemployment in our country — and it resembles to a large extent that of most other Western industrialised countries — we find out that unemployment is increasingly the fate of female, unskilled and partly-disabled people. The rate of unemployment remains relatively high. But its structure changes. Qualified, young, dynamic healthy people hit by sudden unemployment can be brought back to work. There is even a scarcity of qualified labour. Though there is unemployment, certain jobs linked with dirt, noise, weekend work are only very reluctantly accepted. Unemployment becomes more and more a fate of certain underprivileged social groups. Lasting recession and effective rationalizing of industry and officework lead to a structure of unemployment that resembles less and less the intellectual, the age and the sexual structure of our labour force in general.

This is one of the reasons why unemployment, being relatively high, is not yet felt as a social disease. Unemployment is a threat to all employees. It reduces the freedom of action of the trade unions. But it does not yet threaten the cohesion of our social and economic order. It even does not determine the political life and the debates inside our parties to the extent that the high and persisting unemployment rate should produce. Part of these unemployed do not have the strength and the means to express their protest and their misery. This must not lead us to the wrong conclusions, by making unemployment less important. If we do not fight for the interests and rights of the underprivileged, who should and will do it instead of us?

The Need for Economic Growth

The fight against unemployment cannot be won without economic growth. It was this lack of economic growth, which brought about high unemployment. World-wide

recession was the consequence of unprecedented inflation and sudden changes in the state of world trade, as for example the energy price explosion. The traditional instruments of fiscal policy were wisely used and were within their limits successful. Economic growth in 1976 and to a lesser extent in 1977 was sufficient. The fight against inflation was partly successful. The huge balance of payments deficit could be financed by bilateral and international action. The danger of world-wide protectionism could be kept within certain limits. The lasting recession and the permanent use of fiscal policy, reduced tax revenues and increased financial help for the different systems of social security created huge public deficits. In 1978 the net deficit of the public sector in our country will amount to more than 4 per cent of our GNP. Within the more important industrialised countries only Japan has an even higher deficit in this fiscal year.

The measures taken will have positive effects and will certainly increase the pace of economic growth in our country and thereby have positive effects on the world economy as a whole. Massive tax cuts, massive investment schemes and expansionary public spending becoming effective in these weeks led our budget deficit to a level where further quick measures in 1978 are excluded. We regard the economic impetus unleashed by this package of measures sufficient, if they are completed by further action in other fields. Interest rates must be kept down, social peace be secured, wage increases be reasonable. And the private sector must do its duties. The economic and the social framework has created conditions to restore trust for new economic activities of private enterprises. If the private sector remains reluctant, refrains from any risk, does not shoulder its fair share of the burden, it endangers in the long run the character of our social and economic order.

It is of utmost importance that we keep

international solidarity intact. It is comprehensible that rising unemployment in certain sectors like steel-production, ship-building or the textile industry, in a period where these and other industries in developing countries become competitive, creates rising wishes for protection against imports. We as socialists are in a different situation, being placed between the demands of our voters and those of our friends from developing countries. We can neither accept the destruction of our national industries without any alternative for the unemployed nor can we use brutal protectionism as a beggar-my-neighbour policy. We need some time to restructure certain sectors. We therefore need an active sectoral and regional policy with the aim to keep unemployment low and international division of labour high.

Erratic fluctuations of the exchange rates, sudden depreciations of important currencies, which permanently surpass the path of adjustments asked for by the underlying economic trends are as dangerous for the economic future of our society as rising protectionism. We need, therefore, strong international action to stabilise the monetary markets, to avoid sudden breakdowns and additional dangers for international trade, which is one important basis for world-wide peace and international solidarity.

Problems of Young People

The given structure of unemployment, the problem of rising numbers of young people asking for professional training and qualified jobs demands additional action. General fiscal and monetary measures cannot solve these problems alone. Special action must be taken to increase the possibilities for learning and professional training. We will urgently need these young people to further develop our society. Birth-rates in Western Europe are decreasing rapidly. We need every young man and every girl. They must get any help for their professional career they ask for.

We need more flexibility and mobility and the readiness of the unemployed to accept new jobs. We support these actions

HAMBURG

UNEMPLOYMENT AND ITS CAUSES

Willy Claes

Text of the paper presented by the Belgian Economic Affairs Minister to the Bureau meeting on February 9, 1978:

by subsidies, additional training and financial incentives or tax cuts. But if necessary we even have to modify regulations with the aim to fight shirking and illicit work.

Our central aim is to reduce unemployment *and* to increase the chances of those unemployed being handicapped. Special actions are taken. They must be enlarged and if necessary strengthened. The public sector certainly has to contribute. But we cannot solve our problems of unemployment just by inflating the number of public servants and thereby permanently reducing the room for action of the fiscal policy.

Two questions remain to be discussed. Firstly, we certainly need a detailed discussion on whether our economic and social policy needs further instruments to influence economic growth and to promote higher rates of employment. We certainly can learn from our different national experiences and from the results of our policy. But our national economic systems still vary so much, even within the European economy, that we cannot simply copy or export our experiences. But a critical examination is necessary whether and to what extent the existing market economy is able to solve the urgent problems without any additional measures.

Secondly, all countries try to reduce unemployment by careful and measured steps towards the reduction of working time. There are different ways to this aim. Reduction of weekly working hours, more holidays, earlier pension age. The economies of our industrial societies are certainly rich enough to make a further measured step in that direction. But we have to bear in mind the fact that there is a choice to be made between higher and higher wages or less working time. We cannot have both. Our industries cannot bear a new cost push.

We do not tell the truth if we create the impression that we have the instruments and the means to make unemployment quickly vanish. But we have to use all our force, our intellectual and political capacities, our economic strength and social imagination to fight unemployment, the most serious disease of our society.

I should like to concentrate, in this paper, on the main factors contributing today to making increasing unemployment particularly worrying. Actually, I will not dwell on the quantitative description of unemployment: its extent is a well-known topic; but rather on the complexity of the phenomenon and on the uncertainty which has evidently developed as to the very nature of current unemployment, as to the actual causes of its recent extension and consequently as to the policies to be worked out to cope with unemployment.

In more straightforward terms, I shall deal first with the macroeconomic strategies for the control of unemployment (or rather, the feature of unemployment which is linked more specifically with the economic climate). However, I shall then outline the need to complete this traditional approach substantially, by developing more structural policies — policies that are essential to the obtaining of durable solutions on a medium- and long-term basis.

I. Economic Origins

In spite of other considerations, the recent rise in unemployment is of mainly economic origin and the need for an economic policy of deliberate reflation is still essential. For various reasons however, reflationary strategies are not always as obvious as one might hope.

Rightly or wrongly, most Western governments in the post-war years had got used to thinking that they had — unlike their predecessors in the thirties — remedies that were sufficiently effective against the re-appearance of massive, substantial and prolonged unemployment. On the whole, this optimistic attitude was based on a fairly firm, if not total, confidence in the possibilities of “controlling demand” and neutralising — on the lines of Kenya’s recommendations — the erratic fluctuations of investments and stockpiling or else the speculative monetary disruptions caused by capitalist logic.

In the last few years, this confidence has partly crumbled away, with the appearance of situations apparently far more complex than those usually observed until then — situations which hardly matched the simplified versions of the theory often prevailing in political circles. I refer here, of course, as you will know, to the spectacular explosion of spiralling inflation. In the years 1974 to 1976, government leaders were faced at the same time with a double-figure inflation and an incompressible development of unemployment — gradually reaching levels which had not been seen for years in the developed countries.

It would certainly be wrong to renounce the Keynesian analysis on the basis of that remark. But it is none the less true that “stagflation” adversely affected the choices of economic policy as the persistence of price rises prevented most states from committing themselves deliberately to policies firmly stimulating demand.

In these difficult circumstances, all countries did not in fact adopt the same priorities, nor did they consequently accept the same risks. As a result, in our inter-dependent economic world, efforts partly counteracted each other as inflation did not recede as rapidly as had been desired here; whilst unemployment soared elsewhere in spite of the schemes introduced to reduce it.

This state of affairs also caused serious international distortions, probably encouraged — partly at least — by the generalized floating of the main currencies or currency groups. It created increased uncertainties which were certainly not favourable to the restoring of the international confidence necessary to stabilize the economy nor to the simplification of the grave decisions imposed on political leaders.

Nor did all this do anything to reinforce confidence in the international economic co-operation or co-ordination structure which — incidentally — is probably in itself another recent and very regrettable failure of Western societies.

In spite of the multiplicity of national policies for coping with the crisis, it is possible, however, to outline a few features relatively specific to the industrialized countries. Thus, in 1975 a number of countries based most of their policy on an effort to moderate costs, with the hope of thus restoring the profitability of the capitalist system and thereby obtaining an upturn in private investment.

In this policy of freezing costs, wages moderation was generally the first measure decided upon. It was on this front in fact that substantial quantitative results were recorded, mainly — probably — because our populations had unfortunately sufficiently retained their fear of unemployment or had relearned to experience it: the last three years showed that unemployment is still a powerful and actual constraint, and the crisis itself probably played a large part in the recent wages moderation — doubtless more than governments' pleas in its favour.

But although this gradual moderation of wage increases enabled political leaders to attain the first of the objectives claimed — but which was only a means to an end, in other words the restoring of company profit margins — it is on the other hand far from having attained its second objective: producing a vigorous upturn of investments. Is it then unfair to speak of the incompleteness of the measure almost all Western countries have taken to control the development of the unemployment crisis?

It is obvious that this failure of the strategy which most of our governments had more or less accepted has become another reason for the disarray if not incoherence of current economic policies in the face of soaring unemployment.

This failure provides at least one lesson, learned in the Keynesian past but forgotten under the mass of neo-classical arguments: that is, I feel, that an upturn in investments does not depend — solely in any event — on a general effort to restore profit.

What businesses are waiting for is a sufficient certainty of the recovery of outlets, a fact which is precisely not in the logic of today's prudent economic policies (fears of restoring inflation) and of the constraints weighing on them in various countries (balance of payments, deterioration of public funds).

It is none the less true that this failure of too indirect actions restores their justification to the more traditional policies of giving a new impetus to public demand (or private demand where it might be realistic to expect a spontaneous recovery of consumption). True, countries with reliable external assets are in a better position to be the leaders in this path. And it is true, too, that public funds call for serious precautions to be taken pretty well everywhere.

Nevertheless, in my opinion the state has become — in early 1978 — the only potentially certain source of the restoration of an additional purchasing power, of the recovery of an overall demand which might return to its sufficiently increasing self: which will obviously not be thanks to businesses, nor to exports, nor even probably to private consumption (except by a deliberate action by the state at household and available income level).

Such an action seems today to be neces-

sary to start an upturn. Its temporary nature is necessary, on the other hand, to reconcile the requirements of economic recovery and the more structural demands of a systematic reorganisation of the state's finances and a stabilisation of the social security scheme. This reorganisation is essential but will, however, be tentatively more difficult if it cannot be carried out in a context of minimum recovery. Thus, a medium-term balancing of public funds and social security can only be tolerated in an expanding economic environment.

Naturally, this economic element of a stabilisation policy can hardly be imagined in terms of small national economies considered separately and — although some countries are more suitable than others to initiate an essential stabilisation — what is really needed is a converging international action. This is why I am pleased to mention the issue from this rostrum of the Socialist International.

Crucial Moment

I should in fact like to emphasize that we have reached a crucial moment today, a moment when the caution of policies, however legitimate it is, features an increasingly grave risk: the risk of accepting further deteriorations in business and employment failing a timely stabilisation of the economic process. In saying this, I am obviously only echoing apprehensions being expressed more and more often by competent observers: a fear that our economies should fall, failing a resolute action at short-term, into a resolutely deflationary cumulative process gradually destroying our industrial potential.

Far from hoping for a spontaneous recovery of the economic cycle, there are in fact a number of good reasons for fearing the development of several behaviours likely to mortgage the prospects of a recovery more and more heavily.

(a) First, our countries' difficulties would lead directly — if they lost — to a high risk of protectionism. The restoring of obstacles to exchanges will obviously only add new disruptions to world economic imbalance and newly-created obstacles to economic recovery.

(b) Second, everything is happening today as if our populations were getting more and more worried with anxiety for the future. They are reacting by precautionary behaviours which are unfavourable to consumption — as reflected in my own country in the current inflation of financial liquidities, which can probably be attributed to excessive hoarding due to worries about employment and permanent income.

(c) In the private sector, the least that can be said is that uncertainty is still the overwhelming feeling, interfering with any serious recovery of expansionary investments, and thereby leading to a reinforcement of efforts in automation and in replacing labour with capital, and also to a slowing down of industrial innovation.

(d) And lastly, at Government level, the first few reactions are far from always being directed towards economic recovery, sometimes because inflation and the balance of payments are still frontline problems, at other times because the deterioration of public funds (amplified by the crisis) and of

social security funds (especially unemployment benefit) first call for moderating reflexes.

Even if these reactions sometimes reflect too much, in the eyes of professional economists, purely book-keeping considerations, rather at budget level than at the level of the basic principles of the regulation of world demand, it is clear that substantial parts of public opinion, the press and financial and political circles have difficulty in accepting the idea of policies based systematically on a growing adverse budget. Furthermore, it must be recognized that the acceptance without further ado of the adverse budget causes a lazy attitude in terms of public expenditures; the administration of the budget turning into a room for recording the state's expenses and no longer critically examining them.

Monetary speculation trends can also slow down too deliberately expansionist orientations.

Although these reflexes are perfectly comprehensible, they must not prevent us from thinking in terms of restoring demand, as this can be initiated today by the state by only employing resources still relatively supportable and subsequently re-absorbable. The economic recovery must however meet a number of severe implementation criteria, deriving from the current characteristics of our economies.

- It cannot utilize monetary financing; taxes and savings must underly it.

- It must be selective, i.e. less global than in the past and cater more for bottlenecks on the industrial branch and employment market fronts.

- It must surround itself — mainly in the small, very open countries — with a minimum international consensus. The recoiling of an economic recovery policy with a rational budgetary control implies the acceptance of priorities: this is because the budget is more and more composed of large masses fluctuating autonomously relative to the economic situation. At the risk of finding itself in a normal economic climate with an intolerable budgetary drift, economic recovery cannot compete with claims on all fronts and at all levels, however justified they may be in terms of industrial relations.

In any event, any further hesitations in terms of economic recovery will lead to the probable formation of durable unemployment equilibriums, to the plausible development of various anti-economic or asocial behaviours, and to the dislocation of international exchanges.

I would add — and I hope you will forgive me for not making any concessions to optimism in the event of the refusal of a sufficient effort of common economic recovery — that stagnating unemployment and business slackness will not indefinitely be accompanied by substantial new progress on the inflationary front. If we let the world settle down to under-employment and under-activity, it is quite clear that we will prevent the extension of the production capacities, in particular of raw materials, in such a way that a few years of slow growth will probably be sufficient to recreate, all the same, shortages of basic commodities, leaving the door open to soaring prices and distribution quarrels com-

parable with those we have just emerged from. It will all happen simply at a much lower level of prosperity but the issues will not be for all that less difficult to resolve.

More generally speaking, it is in fact permitted to believe that any settling in an equilibrium of under-employment will only increase social struggles, sectorial issues, regional inequalities. Nor will the context be favourable to the necessary evolution towards a fairer international economic order for the developing countries.

II. Structural Deficiencies

Even if current unemployment demands a more expansionist economic policy, this policy will probably no longer be able, on its own, to insure an adequate level of full employment. One of the features of the recession is that it caused to blow up in

- first, a prolonged effort is called for with a view to what could be called "the non-inflationary promotion of employment";
- second, a group of accompanying measures — often very specific — will become more and more necessary to avoid the increasing qualitative inadequations between the employment offered and the workforce available.

I would now like to mention, in both cases, a few particularly significant aspects.
(a) *For an economic policy aiming to promote employment more deliberately.*

It is first necessary to call into question the impact of institutions which have been distorting — for years — the economic mechanism of the replacement of labour by capital. Please understand me properly: it would be absurd to imagine that economic policy can attempt to improve em-

neutral financing scheme would, for instance one form or another of fiscalisation of the social security organisation.

It is also quite obvious that the recession has at least had the merit of clearly posing the need for an increased mastery of development. The recession's sectorial and regional aspects are the expression of structural deficiencies in connection with which the recession played the part of a developer, but which — of course — existed before the recession with symptoms that were merely less acute, if not less worrying for the persons involved. The international redistribution of labour and a competitive spirit revived by the recession will not fail, additionally, to accelerate and amplify what is called today "the redeployment of economic activities". Even if the redeployment process is the cause of economic and social frictions within peak economies, it is the key of the development of the other countries. As socialists, we must therefore promote this redeployment, but also ensure that it is carried out coherently and without tensions or conflicts between the advanced countries and the developing countries. This may be our movement's principal historic task for the coming decades.

Left to itself, the market's mechanism will probably only ensure imperfectly, slowly and painfully the essential adjustments. We thus come to the need for a reflective orientation of the development, through more efficient, flexible and concerted planning structures. For instance, I like to think that such a path is now open in my country through the adoption of the principles of a new industrial policy, around which will naturally be better and better articulated the concrete programme of regional and sectorial planning.

The current over-equipment of certain basic industrial sectors (iron and steel, manmade fibres, glass, etc.) sufficiently demonstrates that industrial development planning is necessary if we do not wish to diverge too much from the path of balanced expansion.

I must also obviously leave a place, in this part of my paper, for the creation — on the state's initiative — of non-traditional circuits of tertiary activities. In view both of the extent of unemployment and of that of the many social needs still unsatisfied, is it not fair that the state should take in hand the organisation of new non-trading service and labour circuits? In my country, such a system is being set up — at least provisionally — and it would seem in the long run that it is not much more costly to the treasury than the continuation of a sterile policy of merely giving the unemployed unemployment benefit. A recent survey by the Plan Office has even estimated that this 3rd Belgian labour circuit would not be an inexpensive item for the public funds but would have a positive impact whilst reducing actual unemployment by about one tenth.

(b) *For an employment policy that has more ambitions and means.* Already before the recession's acute phase, it was obvious that unemployment tended to increase for reasons of quality more than of quantity. This mainly reflects an increasing trend of the active population to form a professional

The following "guidelines for a policy of full employment" were proposed to the Hamburg Bureau meeting by Willy Claes.

(1) *Full and best possible employment should remain the primary objective of our anti-cyclical and structural policies, not only for socio-economic reasons but especially for fundamentally human reasons.*

Appropriate policies to combat unemployment of the young and of women should be developed.

(2) *This primary objective calls for an active policy of economic recovery which should be simultaneously international, planned and selective.*

(3) *This employment policy will be set up in consultation with the developing countries and will take into account their legitimate interests, and, thus, the new international division of labour.*

(4) *Any policy based on economic protectionism must be avoided.*

(5) *The reorganisation of a system which should put an end to international monetary disorder is one of the indispensable foundations for the re-establishment of the climate of confidence needed for the furthering of productive and labour-intensive investments.*

(6) *The covering of energy-needs plays a major role in the economic growth of all countries, developed and developing, and*

thus in the struggle against unemployment.

The setting-up of some form of coordination of energy policies is therefore one of the mainstays of any full and best employment policy.

(7) *Any policy favouring employment must be seen within the anti-inflation context.*

(8) *The driving force of the economic recovery should be initiated mainly by those countries that enjoy a surplus in their balance of trade and payments.*

(9) *The organisation and execution of economic policies should aim at a new equilibrium between the free market forces and the planning towards a new model of development taking into account the characteristics of a new international economic order and the priority needs of the developing countries.*

(10) *This new growth model, based on the creation of new needs resulting, for some, from the reduction of working hours and for others, from the re-evaluation of labour considered as a means of full and free expression of the human personality, will give priority to the satisfaction of qualitatively superior collective needs.*

full daylight, on the occasion of an economic accentuation of the difficulties, various structural deficiencies of the Western economic system. These are often only the subject of persevering voluntary actions, so that they are called for just as much as the introduction by the state of a new economic impetus to demand. The latter can — and must — reabsorb as soon as possible a substantial part of the unemployment; but more structural policies, viewing a more distant horizon, are also proving to be essential to take over and finish with the sectors of unemployment which will probably resist the Keynesian medications.

In view of the time needed to implement such policies, it is important not to postpone their introduction but to set them up as soon as possible. Among the actions I am thinking of here, two groups can be differentiated as follows:

ployment by slowing down productivity, usually allowed by the normal efforts at automation and replacement investments. However, it is still necessary to ensure that the economic calculations of concerns are not affected by the distorting influence of certain structures or institutions which modify — artificially — the cost that the market allocates spontaneously to the workforce and to capital.

Now, in nearly all of our countries, such modifications derive from the rules for contribution to the social security scheme, from the taxation laws on investments or from the legislations of public aid to private investment. For instance, a financing of the social security organisation by wage-related contributions is obviously felt by the concern as an increase on the cost of labour and this encourages it to automate its operations much more than another more

structure for which there is no demand: simultaneously, too many workers still without genuine qualifications, if only a basic educational background, and — on the contrary — more and more university graduates with an obviously overspecialised background.

True, an adjustment of the men to the demand structure is still necessary and it will probably increase its possibilities in future, in particular through a more enlightened and more efficient planning of the educational function. But — much more than has been done up to now — it will also be necessary to contrive to act also in the years to come. The systems of aids to employment that the recession has created here and there are perhaps the appropriate instrument of a selective promotion of employment, in terms of the characteristics of the labour trained but not finding a job.

I do not want to prolong this paper too much and I shall therefore not amplify the regional element of this same issue. It is clear, however, that it is one of the most important and in fact one of the most known ones for many years. Here too employment will henceforth have to adapt itself more to local labour situations and the means of the regional policy will certainly have to be kept at a steady level.

The public economic initiative should in particular form a more frequently used path, especially if the growing decentralisation of certain states enables the live forces of the various regions to control this instrument more — still little used in some countries — formed by public economic initiative.

A final point should, however, also be mentioned. The capitalist economic system is more and more appearing to behave with men in the way that it behaves with natural commodities, using them inconsiderately and then refusing to accept the liability of this situation. I refer here to the more and more severe selection schemes used by concerns, condemning to unemployment a whole series of workforce categories which are vulnerable on the labour market. The vulnerability created by old age, not only at the approach of retirement but already in the fifties and sometimes in the forties, is a more and more sensitive social problem, which it will not be possible to resolve without certain adjustments of social law and practices.

Failing the creation of the accompanying structures, the only ones capable of meeting specific problems of this type, the economic solutions will probably only obtain incomplete results. But of course, the economic element of the control of unemployment is itself an essential part of the whole, both in its economic and in its structural dimension. If our societies really want to accept the challenge of underemployment, they ought to see to implementing global solutions. The restoring of full employment is, within a gathering such as this one, a sufficiently established priority for anyone to avoid the trap of partial solutions, based on unduly exclusive analyses, partly too strictly macroeconomic, partly tending to "split hairs" in terms of issues that are too sectorial or regional, or else too institutional or sociological.

HAMBURG

NORTH~SOUTH DIALOGUE

Michael Manley

Intervention by the Prime Minister of Jamaica at the Bureau meeting on February 9, 1978:

I should like to thank you very much for your kindness in allowing us the opportunity to speak on the question of the North-South dialogue. We are very appreciative of this because we feel that there is a gathering crisis that has profound implications for the entire Third World and we are not at all satisfied that the extent of that crisis is fully appreciated in the developed world. What I would like to do is to try as briefly as possible to set the entire situation as it is seen in the Third World into a context that will involve a background of talk, a foreground of fact and a possible future of action.

With respect to the background, we have the situation in which, I think, virtually every nation in the world has gone on record as supporting the idea of a just international order, a just distribution of opportunity in the world. Certainly virtually every international and regional institution is on record virtually in unanimous terms in support of this broad idea of international justice, so that there is no shortage of appropriate rhetoric. Certainly in so far as the Socialist International is concerned, we would hope that this, of all bodies in the world, would have the will to explore the practical avenues through which the talk, which is universal, can be turned into some kind of effective action. I would imagine that if there is one thing that distinguishes all those who claim socialism, it would be the notion that socialists believe in political interventions to secure just ends and for that reason we really feel that this body has a very special responsibility in the context of the present difficulties.

Colonial Legacy

Now turning to the foreground of fact, I do not suppose one needs to remind the members of this distinguished gathering of the central issues, the central problems of the developing world. The classic analysis, I suppose, is well known. Firstly, extreme structural dependence on external factors which is the outstanding legacy of the colonial experience in economic terms; the fact of almost a general experience of un-

balanced economies and the problem of massive unemployment. One has listened to some of the discussion this morning [see elsewhere in this issue with great interest, also great sympathy, in which one is talking of unemployment in developed countries in the region of five, and sometimes six per cent, when of course most developing countries are struggling with unemployment in the region of twenty-five per cent. One listens to the problem of youth unemployment: we struggle with youth unemployment between thirty and thirty-five per cent and we struggle with women's unemployment at a level of forty per cent, if not fifty per cent.

These acute problems which were true in the pre-1973 world have taken on crisis proportions since 1973 because, beginning with a position of extreme structural dependence, one is therefore acutely responsive to world inflation. Added to world inflation for the non-oil-producing developing world there is the extreme impact of changes in the price of energy and this pair of factors has combined to create in the developing world the necessity to borrow to be able to survive and to borrow in a world whose money-markets were not constructed at a time when this kind of crisis was contemplated at all.

If I might just speak from Jamaica's experience, which is typical of the entire developing world since 1973, we have had, every single year, to take the most agonising decision: to borrow to finance oil in a society that is ninety-five per cent dependent on oil, in an economy that is structurally dependent and fragile to begin with, where we know that we ought not to borrow, that on every classic test we have no right to borrow, but where the question of borrowing does not involve fine questions of economic theory. Borrowing involves whether there will be penicillin for babies; borrowing involves whether there will be the foreign exchange to maintain vital raw material supplies to structurally dependent enterprises.

It is an interesting commentary on the rapidity with which the deterioration has

taken place, because of having to borrow short for fundamental purposes, that there are a number of developing economies today that have already deteriorated to the situation where in, say, a year like 1978, to be able to keep the economy afloat at all, one faces borrowing in the context where already between seventy and eighty per cent of all possible foreign exchange earnings in the year are already committed to finance energy and to service debt and you are in a situation where it is impossible to plan any kind of development response when eighty per cent of your foreign exchange resources are already committed to debt and energy.

So what one sees is a developing world that is rapidly approaching a state of total paralysis. We suspect that this paralysis is not only of human concern to the developing world but also is beginning to have a profound impact on the capacity of the developed world itself to resume any kind of growth path.

In the face of that kind of crisis, what we now have is a complete deadlock in the North-South dialogue; the entire dialogue has in fact broken down. The relevant discussions have in effect got nowhere and I was very pleased to hear Chancellor Schmidt this morning say two things: first, his very strong appeal to preserve and explore internationalism, not to retreat into a kind of nationalistic, protectionist response of each country to the present difficulties; and the other thing that struck us very strongly was his appeal for a practical sense of urgency.

Against the background of those two ideas, I should like to look again as briefly as I can at the future and what is possible. I should like to suggest here that it is very important to avoid what could become a semantic trap. I think that to react to the needs of the future in terms of a concern with whether a phrase like "new international economic order" is appropriate or not would be a tragedy. I think that the needs in so far as the developing world's involvement in this world equation is concerned are well-known — they are not rhetorical — they are highly practical. I think that everybody has accepted, for example, that there is no future with any kind of balanced development and growth in the world if there are not massive resource transfers from the developed to the developing world. I think that is generally considered and understood.

On the other hand, this general consideration has to be seen in relation to two other specifics. One is the question of the terms of trade in the world and particularly as they affect commodity producers. A lot of the difficulties in the developing world have been structurally caused by the workings of the terms of trade on developing countries' economies; therefore, there is no resource transfer which, by itself, will deal with the problem if you cannot deal with the problem of the structural effect of the terms of trade as we have known it historically. Our experience of it, I repeat, has not been a rhetorical experience, but a practical experience.

I could illustrate with a very interesting example. Last year our imports from Europe reflected an average inflation factor of nine per cent. Sugar, for example, is



one of our lifelines and we had months of struggle to be able to achieve a three per cent increase in the price of sugar. I suggest respectfully that if you duplicate this experience often enough, it is impossible not to end up and remain permanently in the original trap if that is the way the terms of trade move. Therefore, obviously, something has got to be done about that and here we feel that one moves now to another question and that is, what are the instruments that can be brought to bear?

There was one point made this morning that we do not need new instruments. Once again I would appeal not to get into an unnecessary confrontation about words and concepts. I think one needs to look at the kinds of structural problems that exist, approach them in a pragmatic way and common sense will indicate precisely the extent to which new institutions may be needed because they are the most efficient way of getting at certain objectives. Equally I hope our existing institutions are either capable of dealing with problems or maybe could deal with problems with appropriate modification.

Common Fund

If you look at one of the critical issues in the whole question that is sometimes described as the development of a new economic order, one of the very practical issues is bound up in the discussions for a common commodities fund.

What is the common fund trying to achieve? I think if one remembers that, one can very readily see whether a new instrument is appropriate or whether old instruments exist. One is trying to achieve, first of all, price stability. One is equally importantly trying to secure commodity arrangements that protect real export earnings for developing countries and this inevitably involves some kind of linkage — if one does not like the word indexation — between commodity prices and metropolitan inflation. One needs a capacity for diversified response to the problems of commodity exports. This involves research into ways of making some products more competitive. There are some commodities, for example, that cannot be dealt with by the classic suggestion of buffer stocks. I do not know how you would hold buffer stocks of

bananas, for example, because they would perish; therefore some other mechanism has to be found. Therefore, if one is serious about addressing the problem of the terms of trade one has to be capable of a diversified response.

I would suggest that there are obviously no existing international institutions, not the IMF certainly, not the World Bank certainly, not the regional bank certainly, that are by their nature designed to cope with this kind of problem. So pragmatically I think you have to see a common fund in the context of the objectives that you are trying to secure and to be willing to set up a new institution for that purpose and designed in that way.

At the same time, if you look at two other problems: one is the immediate crippling effect of debt. One might well argue that you do not need a new institution to deal with Third World debt, but certainly one would need to modify the attitudes of existing institutions if you are to deal with the problem, whether it is to deal with it in terms of moratoria or the reorganisation of debt restructuring. What is clear is that something has to be done about it because debt is inducing a paralysis in the developing world and feeding back into the capacity of the developed world to exist. Again, if one does not get too hung up on words like new or old institutions but analyses the practical problem realistically, I think the solution will suggest itself. Equally, in terms of the original question of transfer of resources, one can well see that existing institutions could be modified to achieve the objectives and one therefore would not necessarily have to create new institutions.

Independence Factor

My appeal, our appeal, to the Socialist International is therefore to recognise the factor of interdependence, to recognise that the Third World is approaching a crisis that is not only a moral issue as far as its people are concerned, but that bound up in that moral issue is the larger question of the capacity of the whole world economy to move.

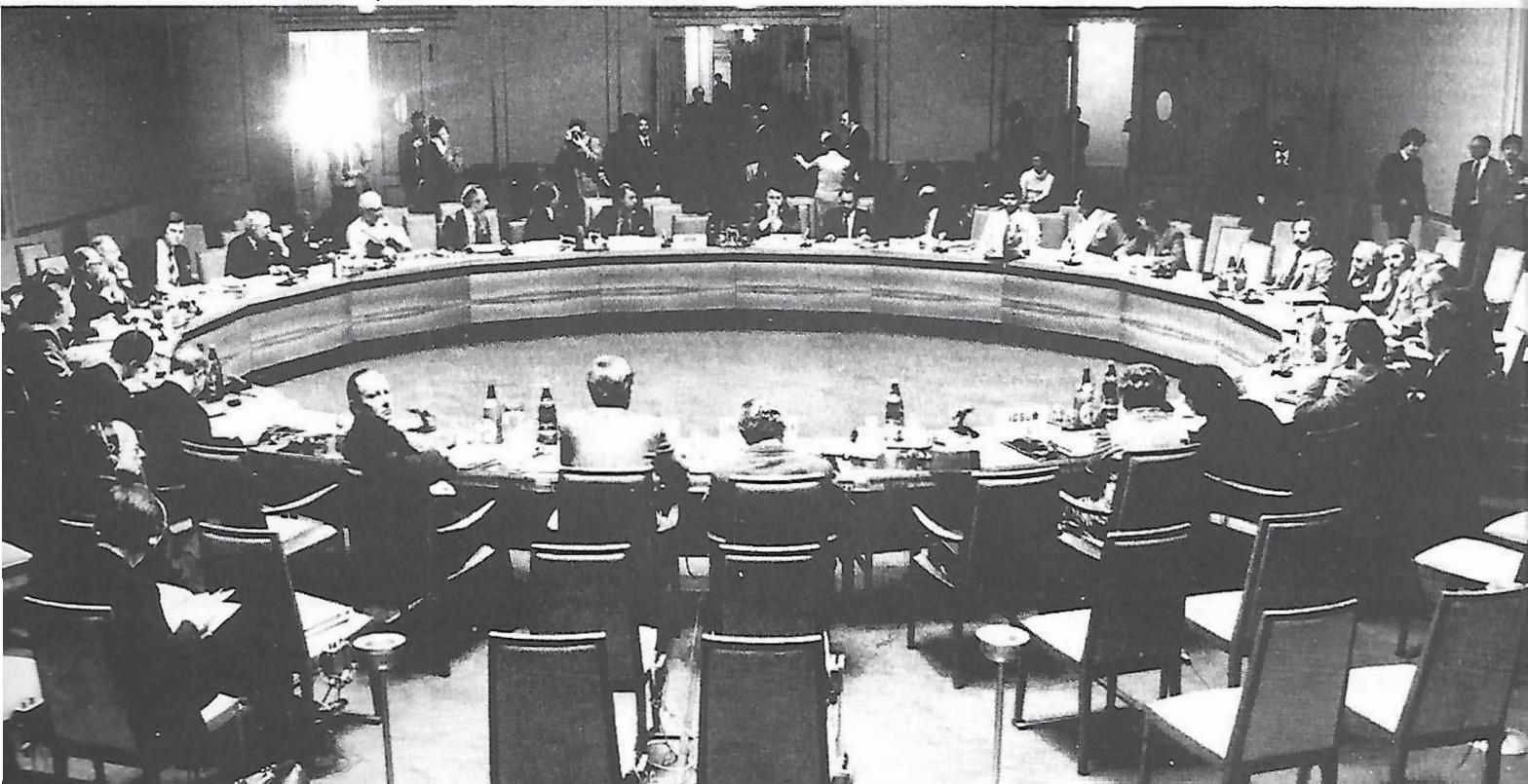
We are aware that at this moment there seems to be a deadlock in which the two giants of the world economic process — the developed world group and the OPEC countries — are in a sort of disastrous stand-off. The developed world says that one group won't move resources, but is accumulating resources and keeping those resources out of demand, whereas the other group says that the developed world will not make concessions in the field of structural change. While these two giants glare at each other across a divide of mutually-induced inactivity, the rest of the world is starving.

So I hope that the Socialist International will really address its mind to what we think is the central, original key in getting the world system moving again, which is to bring to bear a focus of political will on the central issues of structural change. These are not matters of rhetoric — they are highly practical matters, because it is our belief that, if that key is turned in that door, the whole system can be moved again and can resume a path of general international growth.

SI ROUND TABLE CONFERENCE ON THE MIDDLE EAST

The Socialist International, in co-operation with the Austrian Socialist Party, organised a Round-Table Conference on the Middle East in Vienna on February 12, 1978. Twenty of the member parties of the Socialist International participated in the Conference which was chaired by Bruno Kreisky, Vice-Chairman of the Socialist International and Chairman of the Austrian Socialist Party. The Conference resulted from a proposal made by the Austrian Chancellor, which was accepted by the Socialist International at its meeting in Madrid on October 15–16, 1977.

Participants at the round-table conference



Following is a report by Hans Waschels:

Under the chairmanship of the Vice-President of the Socialist International and Chairman of the Austrian Socialist Party, Chancellor Bruno Kreisky, representatives of twenty member parties of the Socialist International took part in a Round Table Conference on the situation in the Middle East, held in Vienna on February 12, 1978. This conference was preceded by a meeting on February 11, which brought together the Socialist International delegates and a delegation of the Egyptian Arab Socialist Party. The group of Arab Socialist delegates was led by General Secretary Fuad Moheleidin; the others included Mahmoud Abdullah and Abdelfatah El-Dib. The Arab Socialist Party also presented a memorandum to the conference, during which Bruno Kreisky analysed the present situation in the Middle East following President Sadat's initiative. The leader of the Israeli Labour Party, Shimon Peres, presented his party's views and gave a general summary of the problem. It was unanimously agreed that all participants in the conference would report back to their parties and would pursue the consultations. Bruno Kreisky, who during 1974, 1975 and 1976 led a fact-finding mission in the Arab countries sponsored by the Socialist International (see SOCIALIST AFFAIRS 1/1978), arranged a meeting in Salzburg between President Anwar Sadat and Shimon Peres on the day before the Vienna conference. The Salzburg meeting attracted worldwide attention.

The same evening, on February 11, the dinner held for the delegates of the Socialist International conference and the Egyp-

tion Arab Socialist Party members was the scene of a cordial handshake between Shimon Peres and Fuad Moheleidin, General Secretary of the Egyptian Arab Socialist Party. In an after-dinner speech, Peres had praised the convening of the Round Table Conference as a very sound and intelligent move, and had expressed deep appreciation of Kreisky's efforts and those of his friends towards a peace settlement in the Middle East. Fuad Moheleidin then said in his after-dinner speech that justice in the Middle East could only become a reality if the United Nations resolutions were accepted as a basis for settlement. The right of self-determination of all peoples would have to be guaranteed, and every nation needed to live within secure and publicly acknowledged boundaries. With Sadat's peace initiative, a new situation had been created, which could very well be utilised by the Socialist International. At the end of this address, Shimon Peres shook hands with the General Secretary of the Arab Socialist Party, who was at the same table, to the applause of the entire company. The next evening, after the end of the Round Table Conference, the delegations of the Israel Labour Party and the Egyptian Arab Socialist Party had an opportunity for a full discussion.

Kreisky's Analysis

On February 12 — a day when Austrian social democracy commemorates the fight of democratic workers against Fascism in 1934 — the Round Table Conference was convened in the Imperial Palace of Vienna. Bruno Kreisky introduced the deliberations of the Socialist International with an analysis of the Middle East situation in which he emphasized the change in position on the part of the Arab states, with particular

reference to the example provided by President Sadat. It seemed to Kreisky that the most important points were as follows:

- Peace could only be obtained when the conditions of Resolution 242 of the United Nations Security Council were essentially fulfilled — this was certainly a basis for negotiations.

- A solution of the Palestinian refugee problem had to be found.

With regard to the Palestine question there has already been a major change in the Israeli position. Kreisky said that he was glad that at the last congress of the Israeli Labour Party it had been proposed to entrust the territories to an institution with international authority which would be universally recognised and respected, with the injunction to seek and reach a solution to the problem.

On the question of the Israeli settlements, Kreisky noted that President Sadat could not accept this situation because the existence of these settlements would be interpreted as a great weakness on his part. The people of Israel would not benefit from the conclusion of an agreement with a man in a weak position. It must be in the interest of Israel to come to an agreement with a strong leader, Kreisky felt. In conclusion, Kreisky dealt with the question of the internal situation of the Arab world. He felt that the group of Arab countries which had refused to take part in negotiations with Israel were not in a very strong or tenable position.

Views of Peres

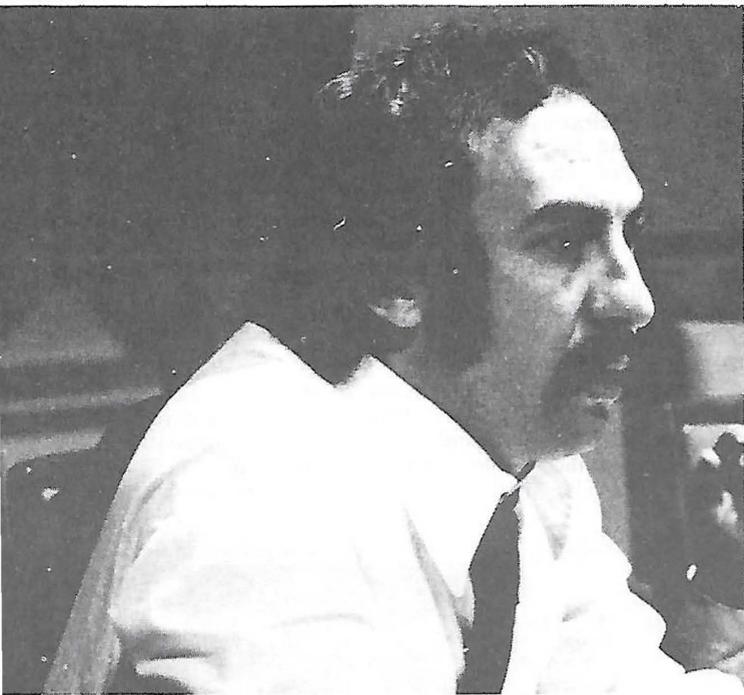
The leader of the Israeli Labour Party, Shimon Peres, followed these remarks by saying that he, too, was optimistic about the present situation, although he would not like to minimise the very serious obstacles

An historic handshake: Shimon Peres, leader of the Israel Labour Party and Fuad Moheleidin, General Secretary of the Arab Socialist Party of Egypt.





Bruno Kreisky, Bernt Carlsson



Rui Mateus



Hertha Firnberg

Bruno Kreisky, Bernt Carlsson, Walter Hacker, Fritz Marsch, Karl Czernetz, Heinz Fischer



which still remained to be overcome: "I can already see the shore of peace, but we have not yet crossed the river which lies between us and it." The most important obstacle to settlement according to Peres was the continuing wall of mistrust and hatred which would have to be broken down. It was true that President Sadat's visit to Jerusalem had resulted in a great deal of the existing prejudice being dispelled, but in many places this prejudice was still strong. Nevertheless he felt that Sadat's visit had been a very important step forward, a visit of historic dimensions which would pave the way for developments in a positive direction. However much Sadat and Israel strove for a reasonable peace settlement, this goal could only be achieved step by painstaking step since the other parties involved in any peace settlement were still not ready to take part in working it out. Peres characterised the position of the Labour Party in relation to Begin's government in the following words: "We are not in fact in agreement with the programme of Begin's government, but we do not want to hinder the government's efforts to find peace. The alternative to Begin's policy would be a betrayal of his programme; there is an opposition to the government, but no opposition to peace. For this reason, the Labour Party attempts to be as constructive as possible in its actions."

Peres then reported on the opposition platform of the Israel Labour Party and made clear first of all that his party now recognises the existence of the Palestinians, and they also recognized that there is a Palestinian problem. No-one can prevent the Palestinians from seeking to affirm their own identity. Peres however rejected the conception that the Palestinians lived in the Diaspora. In the West Bank zone, in an area of no more than 6,000 square kilometres, lived some 700,000 Palestinians; in the Gaza Strip, 400,000 Palestinians or Arabs lived in an area of 300 square kilometres. To these figures should be added 70,000 Palestinians and 600,000 Arabs living in Israel as Israeli citizens. Thus, between Jordan and the sea some 1.8 million Palestinians were living. This was in fact the largest concentration of Palestinians anywhere. Another million Palestinians lived in Jordan, east of the Jordan River. Most of these people, with the exception of the refugees, still lived in their original homes so that it was not correct to speak of a Diaspora. Peres also felt that it would not be possible to bring any more people in to settle the West Bank zone or the Gaza Strip on top of those already living there — whether they were Arabs or Jews.

The P.O., according to Peres, represented neither the one million Palestinians living in Jordan nor the 1.2 million of the West Bank zone and the Gaza Strip, but only those living in exile. Thus, the real identity of the Palestinian people would be faithfully reflected in the establishment of a Jordanian-Palestinian state in the area where already about half of the total Palestinian people were living. The heavily settled Arab centres of the West Bank zone and the Gaza Strip should be handed over to the Jordanian government and the Jordanians and Palestinians should decide

their future together. This would be an internal settlement among Arab peoples. But at the moment the situation was such that it was difficult both for King Hussein and for Israel to draw a map of this area which could be accepted by both sides.

Both the government and the opposition in Israel had to oppose any changing of borderlines, and to go back to the boundaries of 1967 would mean that at one point, Israel would be only 14 kilometres wide, with ten thousand tanks on the other side of the border. "If in any of the Arab countries, power should fall to a group with different ideas, our necks could be broken in five minutes", Peres said. He added that Israel's trust in foreign guarantees was very limited. Shimon Peres attributed the Israeli settlements in the Gaza Strip to the fact that during the 1950s, this area was the centre of terrorist activity against Israel. Furthermore, this settlement area was meant to separate Egypt from the Gaza Strip so that Israel could not be surprised again by an invasion of Egyptian troops. Thus, the settlements here were conceived as a kind of 'cordon sanitaire'.

"There is no doubt that we have better chances of reaching peace today than we have ever had before. As socialists our most fundamental obligation is to seek peace, which we want to attain under realistic conditions," Peres declared at the end of his talk.

Exchange of Ideas

These two reports were followed by a very thorough exchange of ideas in which representatives of almost all the parties taking part in the Round Table Conference were able to participate. Hans-Jürgen Wischnewski (Federal Germany) described the Socialist International fact-finding mission as an important positive contribution to the political work of the International and thanked Shimon Peres for the concrete guidelines he had given on the position of his party. However he was very hesitant to be optimistic, since one could not expect a ten-year-long conflict to be resolved overnight. A slow, gradual and solidly-based solution was more to his taste. "I am worried," said Wischnewski, "that something which suddenly appears from nowhere could collapse altogether just as suddenly." As for the Labour Party's proposed solution of a Palestinian-Jordanian federation, this seemed to him a case of simply passing the most difficult part of the problem over to Jordan to be settled.

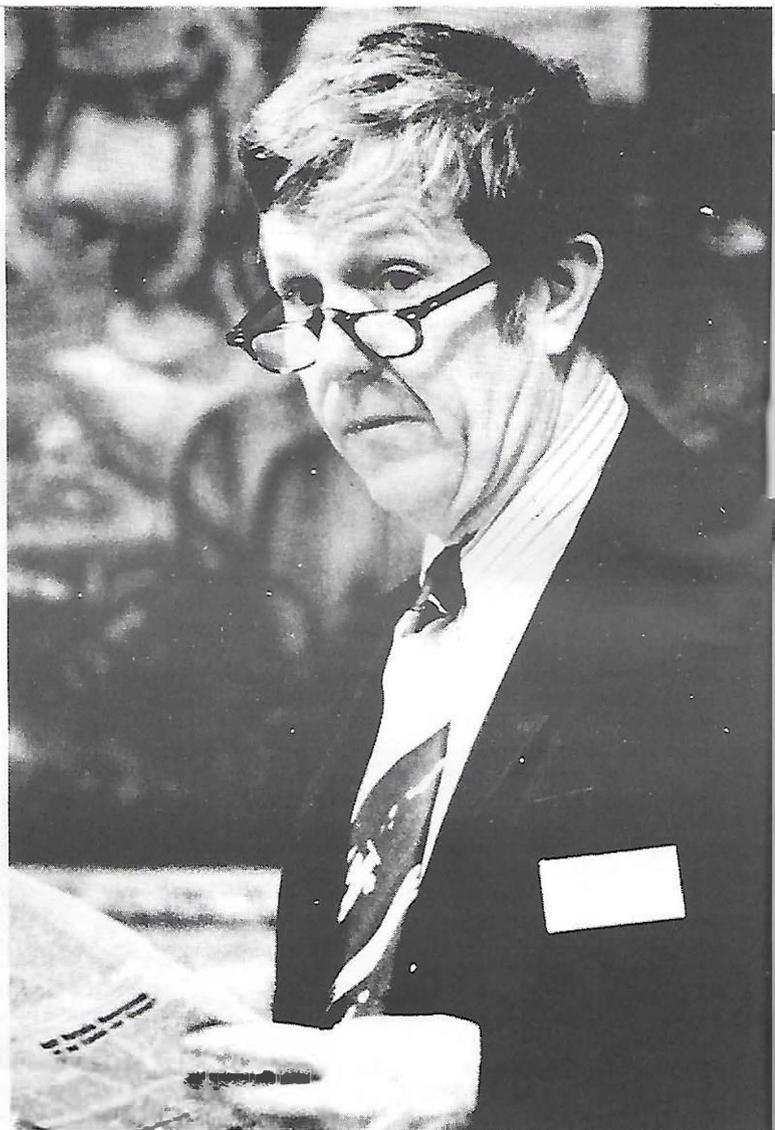
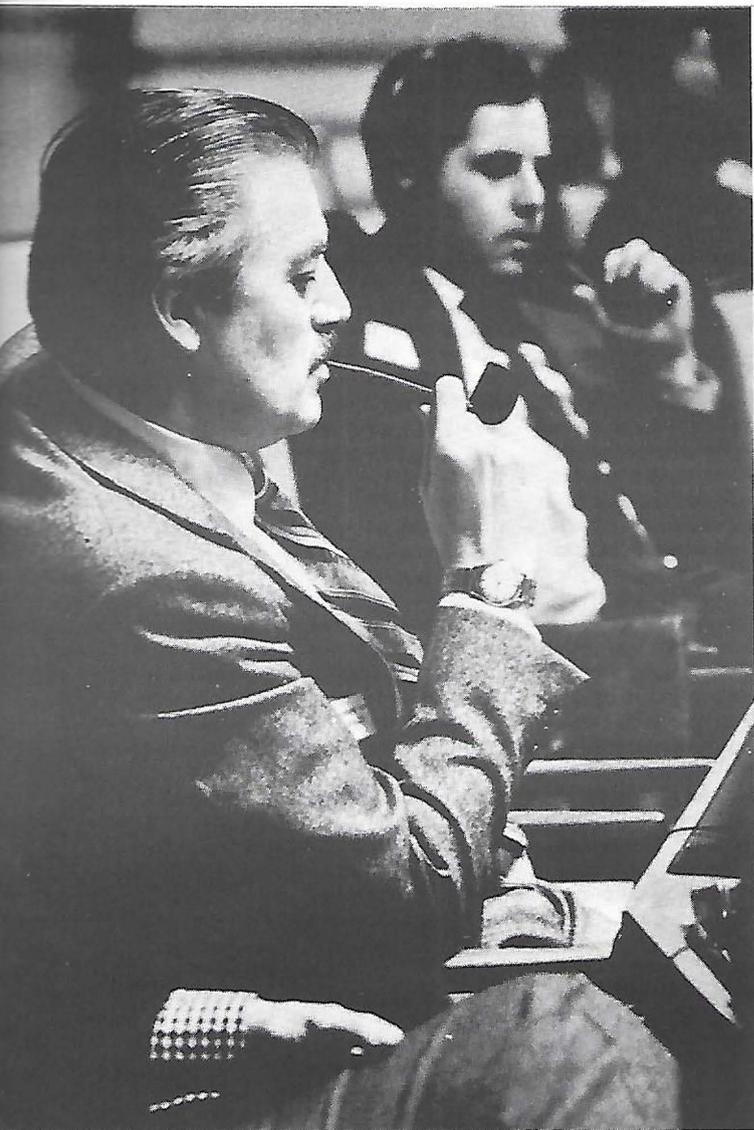
Sven Andersson (Sweden) declared that his party was amazed to read every day new declarations by members of the Israel government to the effect that the Israeli settlements would be maintained and expanded, whereas by unanimous resolution of the United Nations it had already been decided that these settlements were to be abandoned so that the way to a lasting peace would be made easier. "We are concerned that his hard line on the part of Israel, the ideology of the 'greater Israel', will endanger the success of the talks and make the situation in that area worse", said Andersson. In addition, concessions by Israel were not evident in the very important matter of the Palestinians' self-determination. Andersson referred to the

UN Security Council resolution of 1967 which made clear that Israel was obliged to return to the earlier borders, moving out of the areas occupied in the war of 1967. Kher Jagatsingh (Mauritius) was of the opinion that the P.O. should also be represented in negotiations with Israel. Carl Gershman (USA, Social Democrats) said, on the contrary, that a Palestinian state would be unstable and would create instability in that region. Only a separate peace would be feasible, not an all-encompassing solution, but at the same time it would be possible to prevent a war breaking out. Harry van den Bergh (Netherlands) felt that Kreisky's position was to optimistic. In most of the Arab countries the necessary structural solidity was lacking which was a condition of a lasting solution. The settlement policy was not even understood by Israel's allies, and therefore both the Israeli Labour Party and the Israeli government were required to establish clearer policy in this respect. In addition, in the light of modern military technical progress the idea that the West Bank zone settlements could serve a security purpose was questionable.

Ian Mikardo (Great Britain) drew attention to the fact that on both sides, there was a growing understanding that war is not tolerable, and at the same time a situation of 'neither war nor peace' was not acceptable either. Mikardo cited drastic instances from real life to show to what extent the Israelis are obsessed with the need for security — which was very understandable in the circumstances. Robert Goebbels (Luxembourg) explained that Israel had little room to manoeuvre and that time was working against Israel. Oscar Debunne (Belgium) said that the only possibility of a solution was a step-by-step realisation of peace. However, the present settlement policy of Israel should be stopped as soon as possible. Luis Yáñez-Barnuevo (Spain) brought up the question of alleged violations of human rights by Israel in the occupied territories. Michael Harrington (USA, DSOC) said that the Jewish people had an inalienable right to self-determination just as much as the Palestinians did. Poul Nielson (Denmark) felt that the Israeli Labour Party had too modest a concept of its proper role, and that more was expected of such a workers' party. Paavo Lipponen (Finland) wished to hear more on the question of the settlements. Rui Mateus (Portugal) said that Portugal supported the basic principles of the UN Resolution, recognized the existence of the PLO, and supported the Palestinians' right to self-determination. Karl Czernetz (Austria) felt that the Socialist International should be in favour of a real accomplishment of the peace settlement and that the most important point in this regard was the analysis of the risks involved.

Conclusions

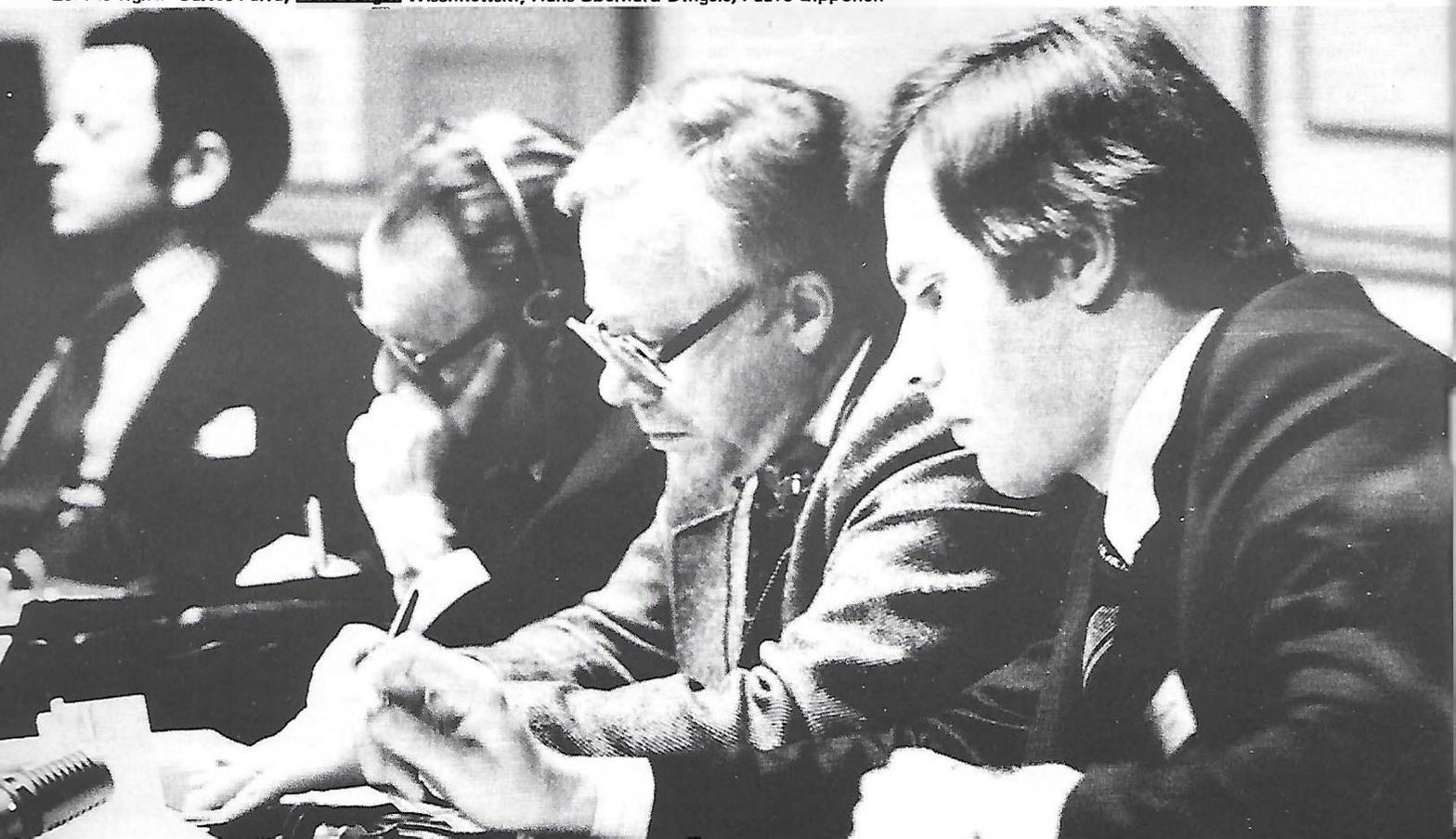
Shimon Peres dealt thoroughly with the various representatives' contributions to the discussion after each had had his say, and said that he felt the conference to have been very useful. A Palestinian state would be a great danger for Israel, he felt. On the other hand a federation such as could come into being between Jordan and



Left to right: Oscar DeBunne, Heinz Fischer

Michael Harrington

Left to right: Carlos Parra, Hans-Jürgen Wischniewski, Hans-Eberhard Dingels, Paavo Lipponen



the West Bank zone had also existed until 1967, and in those days no-one had seen anything wrong with that. As far as the Israeli settlements on the West Bank zone were concerned, no Israeli government nor any Israeli party existed which would deny anyone the right to settle there. "How can you possibly expect that we would take action against settlers simply because they are Jews!", he commented. On the matter of the geography of the country, Peres said that a country only 14 kilometres wide could not be defended. The country's only airport was situated only six kilometres from the border. Must Israel be the only country to have no peace in heaven? Peres asked. And on the matter of human rights he emphasized that on the part of Israel, there had been no discrimination of any kind in the West Bank zone.

Bruno Kreisky commented that Shimon Peres had given a somewhat vague presentation of his position with respect to the problem of the P.L.O. Terrorist action no longer emanated from the P.L.O but from other Palestinian groups who were in opposition to the P.L.O. A movement of this kind was not going to disappear simply because we chose to ignore it, Kreisky said. He did not feel that a Palestinian state could be created in such a small territory simply by the fact of negotiations between Israel and the P.L.O. Rather, a solution should be sought which would permit us to say that the Arabs should be left to arrive at a solution of the Palestinian problem by themselves. On the matter of the viability of small countries Kreisky reminded the company that earlier Austria too had not been thought to be a viable country. As to the role of the Socialist International, which had been referred to time and again in the contributions made by the different representatives, he felt that this Vienna conference would be the beginning of a process of educating public opinion.

After the conference had agreed on the issuing of a press release (see above) Bruno Kreisky closed by giving the delegates a short report on his impressions of attitudes in the Soviet Union, based on his most recent trip to Moscow.

The Round Table Conference of the Socialist International gave an opportunity to present different viewpoints, without emotion, one contrasted against the next. If we are of the opinion that free discussion is one of the basic characteristics of a democracy, then we must be pleased with the

course of this conference. In the International it is impossible to oblige a member party to take certain decisions, but through discussion it is certainly feasible to aim at developing the views of a party in a particular direction. At the same time a party, such as in this case the Israeli Labour Party, can clear up misunderstandings and make its policies clear. Most important, however, is that the Socialist International should be aware of the role it has to play — and this should not under any circumstances be a modest one.

Participants

Socialist International

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Bernt Carlsson

Socialist International Secretariat

Rodney Balcomb

Hector Oqueli

ICSDW

Hertha Firnberg

Vera Matthias

IUSY

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Karl Czernetz

Heinz Fischer

Walter Hacker

Fritz Marsch

Belgium

Oscar Debunne

Chile

Carlos Parra

Denmark

Poul Nielson

Federal Germany

Hans-Eberhard Dingels

Hans-Juergen Wischniewski

Finland

Paavo Lipponen

France

Robert Pontillon

Great Britain

Jenny Little

Ian Mikardo

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Shimon Peres

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James Burty David

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Luis Yañez-Barnuevo

Sweden

Sven Andersson

Pierre Schori

Switzerland

Peter Vollmer

United States (SD USA)

Carl Gershman

United States (DSOC)

Michael Harrington

Left to right: Ian Mikardo, Shimon Peres, Michael Harish



Tokyo Party leaders Conference

"For the first time in Japan" and "the first Party Leaders Conference outside Europe" were phrases continually repeated at the December conference of the Socialist International in Tokyo. Both phrases characterise not so much the consciousness of participants and observers at the conference that they were participating in something new and unusual, but rather a state or condition which has almost exclusively determined the politics and discussions of the Socialist International in its 113 years' history — "Eurocentrism". Not only were (and are) most member parties of the Socialist International European parties, but also the matters on which the parties or their representatives in the Socialist International reached or failed to reach agreement were in most cases European matters. The reason for this situation is not difficult to find. With the industrial revolution workers' movements were first formed in Europe. In Asia, Africa and Latin America however, the industrialisation process (and the resulting development of a proletariat) did not set in until the middle of this century. The fact that in addition to this the European colonial powers tried to prevent the development of a naturally revolutionary workers' movement wherever possible in those parts of the world goes almost without saying.

In recent years, parallel to the increasingly interwoven nature of international politics, the breakdown of colonialism and the shift of the political centre away from Europe have made the European member parties of the Socialist International conscious that they are no longer the focal point in the international world labour movement. The decisive step towards real internationalisation took place in 1976 at the Socialist International Congress in Geneva, the most important result of which was the break out of Eurocentrism and to make the International really international, said the newly-elected General Secretary of the Socialist International, Bernt Carlsson.

The selection of both the location and the themes for the Party Leaders Conference took this attempt at worldwide internationalisation of the Socialist International

into account. Japan is the greatest economic power in the Asia-Pacific region. Its economic and political development has an influence not just on its immediate neighbours. The same applies, said other Asiatic participants at the Conference, to relations between the socialist and social democratic Asian parties and the two Japanese member parties of the Socialist International, even though the latter are in opposition. Foreign policy considerations underline the importance not only of Japan but also of the two Japanese socialist and social democratic parties. Japan is a neighbour of both the Soviet Union and the People's Republic of China and maintains strong economic relations with both these major world powers. At the same time, it is trying to improve relations with both states. Outside the conference the Japanese repeatedly confirmed that negotiations on a peace treaty with the People's Republic of China would probably commence in 1978 and that despite all the difficulties with the Soviet Union — i.e. the question of the southern Kurile islands and the islands off Hokkaido — it was hoped that both sides would at least continue talking. This development should also reinforce the significance of Japan for the South-East Asian region in the future.

Asia-Pacific Region

The Pacific area is characterized by a major geographical cultural, political and economic difference. For example we find some states in this region which are among the economically most developed in the world and others which must be reckoned among the poorest countries. The frontier between East and West as well as the frontier between the industrialized north and the less industrialized south with all its inherent conflicts of interest run through this region. Politics in the Pacific Area are additionally characterized by the fact that even after the end of the Vietnam war they are still "dominated by the world powers", said Bill Rowling, Leader of the New Zealand Labour Party. In addition to this we have the problem that in the Pacific Area not only do the spheres of interest

of two world powers abut, as in Europe, but also with the proximity of the People's Republic of China we have three rival world powers to take into account. Moreover there are regional powers and political antitheses which could lead to a confrontation of the world powers at any time.

All participants at the conference were in agreement that it would take some time before the influence of the democratic socialists in this region could be as great as it was in Europe now. And yet — here the former New Zealand Prime Minister called on his European colleagues in particular — it was of eminent political significance for the European socialists too, that they did not simply make do with a brief glance at South-East Asia but should work seriously for the ideals of democratic socialism in this region too. The principal of international solidarity acquired more significance attached to it than previously — and most especially in South-East Asia. A critical remark of Bill Rowlings in this connection is particularly memorable since it points to an important task for the Socialist International. As New Zealand's Prime Minister, he regretted to say that he had not been able to discover any great differences between the policies of the social democratic European governments and the policies of the conservative governments. He left it to his listeners to decide whether this unfortunate fact was due to a lack of communication or whether it was due to other reasons.

Naturally the problem of Korea played a particular role in the discussion of the Pacific Area, not least because both Japanese member parties have somewhat different standpoints regarding North and South Korea. These different attitudes to the two Koreas are in turn influenced by the differing policies towards the Soviet Union and China. The Japanese public's great interest in this problem also contributed towards the considerable role the Korean problem played during the whole conference. During the conference a change in the attitude towards South Korea could be detected and it is worth noting that at the end of the meeting, Ryosaku Sasaki, Chairman of the

Democratic Socialist Party of Japan (DSP) in an interview with a Japanese newspaper, did not exclude the possibility that his party would rethink its policy towards South Korea. This does not however mean that we can expect fundamental foreign policy differences between the two Japanese parties to be bridged in the immediate future, not even if the dialogue started at the Tokyo Conference were to be continued.

The same surely also applies to relations with the communist world powers and, indirectly connected with these, relations with the Asian communist governments or parties.

The situation for the other socialist parties is more difficult than for the two Japanese parties since they are — as one participant at the conference remarked — generally squeezed in between two different forms of authoritarian regime. On the one hand the feudal, capitalist and militarist type which rides on the backs of the exploited masses in order to protect the riches and privileges of a small, parasitic group. On the other hand we have the equally authoritarian communist underground movements. One of the most urgent and important tasks of the Socialist International too was to represent a third path between these two alternatives. Everything possible was to be done to help the socialist groups in the non-communist countries of South-East Asia in their struggle for survival. That this task is a matter of life and death — in the literal sense of the word — for many people in this area becomes clear at the latest when we consider how human rights are treated in some of the countries concerned. The Socialist International could contribute towards ensuring that people in South-East Asia achieve their fundamental right “to live and to be free”, said Willy Brandt.

Energy Policy

The worldwide discussion on the problems of nuclear energy, the oil price crisis and the environmental problems associated with increasing industrialization — encountered by the Third World countries too — made it finally clear that the once generally held view that energy policy was a part of economic and industrial policy is no longer quite so true today. Energy policy has become a part of international policy considerations and is thus a political question with which the Socialist International must concern itself, not least because worldwide energy resources are restricted and very unevenly distributed. Moreover the world consumption of energy is anything but equitable. The rich industrialized nations, especially in the northern hemisphere, have secured the lion's share for themselves and it does not look at all as though this will change in the short term.

According to the analyses of the Norwegian Party Leader, Rieulf Steen, this must surely lead to a dangerous sharpening of the international conflict between the industrialized nations unless more international cooperation at a higher level within the context of a new world economic order is achieved. More justice, more solidarity and more co-determination in the distribution and consumption of energy reserves must be the goal. He pointed out that his

view, that the industrialized nations could certainly live with higher energy prices and a lower energy consumption, was by no means fully accepted in his own country.

Non-Proliferation

Directly linked with the energy policy problem, the Tokyo conference was faced with the non-proliferation question. The conference participants agreed that even peaceful use of nuclear energy was by no means unproblematical. It did also point to the environmental dangers of fossil fuel based energy production. This was a major reason for the general agreement that everything should be done to use natural and previously unused energy sources such as solar energy to a greater extent than previously.

However a number of different opinions were voiced as to how dangerous atomic energy was anyway, i.e. was it too dangerous to be used at all? Since this is a point of controversy not only between the individual parties of the Socialist International but also within some member parties themselves, the call by José Miguel Bueno, a member of the Spanish delegation, for the Socialist International to provide guidelines on this question could well take some time to be satisfied. It may be easier for the Socialist International to meet the request of the Norwegian Party Leader, Rieulf Steen. He believed that the Socialist International should turn against the formation of blocs of oil-producing and non-oil-producing countries and industrialized and non-industrialized countries. This could lead to more rationalism in world energy discussions.

In his statement on the non-proliferation of nuclear weapons, François Mitterrand declared that the international system for controlling the spread of nuclear armament was not fully comprehensive despite existing treaties and international agreements. Inspection systems were also incomplete. On the one hand it should seek to ensure that existing non-proliferation treaties were adhered to and on the other everything should be done to see that areas not previously included in the treaties should be covered by treaty and agreement. François Mitterrand considered that an important task for the Socialist International was to support the United Nations' efforts to stem the rising tide of atomic weapons.

The two Japanese parties spoke unreservedly in favour of these two requirements. “I think we must mobilize all the intellectual resources in the world to stop atomic tests and prevent nuclear weapons from being handed on further”, said Ichio Asukata (Japan Socialist Party). The Japan Democratic Socialist Party, while agreeing with these points, added that those countries which did not develop the bomb should however be granted the right to use nuclear energy for peaceful purposes. Kalevi Sorsa, Prime Minister and Party Leader from Finland, announced a disarmament conference of the Socialist International in Helsinki in April 1978 — a move which guarantees that disarmament and non-proliferation will continue to remain topics for consideration of the Socialist International.

François Mitterrand supported this pro-

ject and a general campaign of the member parties for world disarmament with the hopeful analysis that the world at large was now sensitive enough to be receptive to such a policy. Like speakers before him, he called for a strengthening of the United Nations activities in the field of disarmament. This opinion was generally shared by all participants at the conference, for “the nuclear question calls for a global answer”, said Egon Bahr, SPD, Federal Germany.

International Economic Relations

The increasing tendency of states to set up protectionist barriers to world trade was branded as one of the main dangers of the present world economic crisis. Wilhelm Haferkamp, Vice-President of the European Commission, believed, for instance, that the economies of the individual countries were so closely interlinked with one another now that protectionist measures could only be taken at the cost of other countries, which in turn defend themselves with appropriate measures. “Protectionism is a sort of conservative relic”, he said. Alternatives to this conservative policy in world economic relations were the reinforcement of international organizations, especially the unions, cooperation with them and the observation of international agreements. The changes in the world economy had to be accepted but these changes had also to be monitored. The socialist alternative should be and would be characterised by courage, progressiveness and solidarity.

Anker Jørgensen, Danish Prime Minister, compared the present economic crisis with the crisis of the thirties. On the one hand the chances of overcoming the crisis were greater today since the public sector played a more important role than previously in the economy. In regional groupings member countries cooperated more closely in solving the crisis and this time the crisis was recognized as a crisis. On the other hand, however, the solution of the crisis appeared more complicated than in the thirties and despite all their efforts the economists had not yet succeeded in finding a promising solution for the world economic crisis. Anker Jørgensen considered that a socialist alternative to the so far unsuccessful attempts of the conservative economic policy could be the participation of workers in productive wealth. Each party in the Socialist International could accept this. A logical consequence of this thought would be the constructive participation of the social democratic parties and the Socialist International in the North-South dialogue with the aim of achieving a better and more just distribution of the riches of the world. Both together could be the most important part of a new deal with the aid of which the world economy could find its way out of the crisis. He said: “This is terribly important, not only in the name of justice but also in order to avoid great conflicts which could be dangerous for peace. The present crisis is also the consequence of great differences between the north and the south, between the industrialized nations and the Third World countries.” The agreement between the two Japanese parties on detailed questions of international economic relations was remarkable. Both

parties called for a policy of reflation and for greater cooperation with the countries of the Third World. Referring to a sentence in Willy Brandt's opening remark that "if the Federal Republic of Germany would grant as much development aid as Sweden, Japan as much as the Federal Republic of Germany and the Soviet Union as much as Japan, we would have made remarkable progress", the spokesman for the Japan Socialist Party called for a rise in Japanese development aid to 1% of the gross national product. The delegate of the Senegalese party, Habib Thiam, discussed the problems of the developing nations in detail and proposed that a concrete task for the Socialist International would be to support the education — especially of technicians — in the developing countries to a greater extent than previously. He quoted the example of Senegal where 30% of the Senegalese budget has to be invested in the education of the population. This was a particularly heavy burden for the developing countries and he hoped for aid from the Socialist International or the parties in the highly developed countries.

Otto Kersten, General Secretary of the International Confederation of Free Trade Unions (ICFTU), quoted the figure of 104 million unemployed and underemployed in India alone as an argument for his thesis that unemployment was the most burning problem of economic development. Growth was urgently necessary, above all in the industrialized 'locomotive countries'. The industrialised countries must finally learn to accept a structural change in world economy which may not be stopped by protectionist measures at the expense of the developing nations. He added: "We speak of 7 or 8% unemployed and under-

employed in the OECD countries, but we sometimes forget that the percentage of unemployed and underemployed in the developing countries is 36%. We must bear the responsibility for these unemployed — the ICFTU and the Socialist International."

Like Otten Kersten, Reulf Steen saw the main problem of the world economic crisis in the increasing world unemployment. Conservative economic policy could not provide a solution since the governments had not succeeded in reaching even their own inadequate economic goals. The unions must be supported in their efforts to move the governments to more modern methods of economic policy. "My appeal is directed to governments and political parties especially socialist parties to exercise political pressure on their government in close cooperation with the unions so that the recession can be overcome before it is too late."

Edward Broadbent saw the basis for changes throughout the world and in the relevant countries in the current economic crisis. Here was a possibility for the Socialist International and the socialist and social democratic parties to institute permanent changes in line with their own policies.

The nucleus of all reforms was co-determination by workers and management. At the present time it was not important which participation model was striven for as the experimental stage had not yet been passed.

Conclusions

There is no doubt of the absolute necessity of an organization like the Socialist International even when we say that not even the SI can provide a short-term solution for the problems discussed in Toyko. But — and this is part of the significance

of the Socialist International — the individual party leaders will bring arguments and counter-arguments into the discussions in their own parties. The Socialist International is not a decision-making body (and cannot be one) through which the individual parties could find their policies laid down. The social and political conditions of the individual socialist and social democratic parties differ too much for this to be the case. However, an "argumentative coordination" would appear to be significant and could in the long run lead to influence being brought to bear successfully on governments. Influence on governments seems to be a main problem of the Socialist International in any case. Thus for instance Felipe González, General Secretary of the Spanish Socialist Workers' Party PSOE, believed that the Socialist International would either have to find a new way to influence governments or its influence would be reduced altogether. The sceptical care of Felipe González's statement, which was shared by other participants at the Tokyo conference such as the General Secretary of the Finnish Social Democrats, Ulf Sundqvist, describes this problem accurately. Many member parties, whether in government or in opposition, have difficulties in making the arguments of the Socialist International comprehensive for a broader public in their home countries. However, there are many indications that this could change in a positive direction in the near future within the context of the north-south dialogue which is attracting increasing public interest. In any case though, the conference in Toyko has shown that the Socialist International can contribute towards reducing tensions and misunderstandings between the member parties.

ICHIO ASUKATA



Extracts from the welcoming speech of the Chairman of the Japan Socialist Party (JSP) to the Socialist International Party Leaders Conference held in Tokyo in December 1977:

The situation in Asia has undergone many changes since the termination of the Second World War. It may be said that the decline of American dominance in the Pacific

region, after the defeat of the United States in the Vietnam War, the successful liberation of the Vietnamese people and their achievement of national reunification, is

creating a general environment favourable to peaceful coexistence. But in the situation surrounding Japan, there is still a potential factor for military tension, because following the Vietnam War the ruling classes of both Japan and the United States intend to strengthen the strategic system in the Western Pacific areas, including the Korean peninsula and Japan, while maintaining a balance with China. Therefore, it is essential for us to develop our policy of safeguarding peace in the broad Pacific region. In this sense, the tasks which our party has long been endeavouring to achieve — namely, immediate withdrawal of US armed forces from the Republic of [South] Korea, abolition of the military alliance between Japan and the United States and conclusion of a treaty of amity and non-aggression between Japan on the one hand and the United States and other countries on the other, promotion of a policy of non-alignment and neutrality and the early conclusion of a peace treaty with China — these tasks are becoming increasingly more important every day.

The Korean Question

I would like to call your attention to two questions of concern to us regarding the Korean peninsula, which is one of the focal

points of attention in Asia. One is the question of the independent and peaceful unification of Korea on which the Korean people have made a decision autonomously, and the other is the question of undemocratic political action in the Republic of Korea. Our party is opposed to the confirmation of two Koreas from the standpoint of the principle of national self-determination; supports the agreement reached in 1972 on the autonomous and peaceful unification of the Korean nation; and is resolved to support its realization positively. The Korean question differs in nature from the German question, and the Korean people living in a divided country are suffering from countless tribulations and misfortunes. Vietnam paid even greater sacrifices for the cause of national unification. We consider that it is quite natural that Japan, as a country which once placed Korea under its colonial rule, as a country closest to Korea and also a member of the Asian community of nations, should support the realization of Korea's peaceful unification.

Our party does not recognize the Park regime [of South Korea] as a democratic government, and strongly criticizes the Park regime for its undemocratic, police-state policies.

We strongly condemn, in the name of national sovereignty and democracy, the activities of the South Korean Central Intelligence Agency (KCIA), which has perpetrated acts violating human rights and national sovereignty, and the influence-buying activities of members of overseas diplomatic agencies of the Republic of Korea, as has been exposed by the Frazer Committee of the United States and the Japanese Diet. We have been demanding that the Japanese Government follow the example of the West German Government, which handled a case of this kind wisely and sternly. At the same time, we demand that the Government of the Republic of Korea reflect self-critically on its unlawful activities. We expect that the Republic of Korea will become a democratic state as early as possible through the independent efforts of the South Korean people themselves.

Maintenance of peace in the Korean peninsula is essential for the development of peace in Asia, and Korea's peaceful stabilization and its democratic development are vitally needed for this purpose.

Nuclear Disarmament

Further, nuclear disarmament aimed ultimately at total abolition of nuclear weapons is an important question for the safeguarding of peace in Asia.

Our attitude towards the nuclear question issues from the atomic bombs dropped on Hiroshima and Nagasaki in August 1945 (instantaneously claiming the lives of 300,000 persons) and from the tragedy of the *Fukuryu Maru*, which was showered with fallout caused by a US H-bomb test carried out on Bikini Atoll, with the resulting death of Mr Kuboyama, a crewman and radio operator of the fishing boat, due to acute radiation disease. The Japanese people's strong support for a ban on nuclear weapons and their total rejection of such weapons are deeply rooted in the fact that they have suffered from them three times in the past.

This is clear from the fact that the movement against atomic and hydrogen bombs, first proposed by a housewife in Tokyo, spread not only in Japan but also throughout the world, with the result that 670 million people in the world affixed their signatures to the Stockholm Appeal.

Our party opposes the manufacture, stockpiling, movement and use of nuclear weapons, no matter what the reasons may be, and is developing a nationwide movement against nuclear testing by any country whatsoever. Our party also opposes calls at Japanese ports by nuclear submarines or any other nuclear ships and their navigation in the territorial waters of Japan. Basing ourselves on this principle, our party has been proposing since 1960 to establish a deuclearized zone in the Pacific region, and at the same time has been demanding that Japan issue a denuclearization declaration and that all the nuclear powers agree on nuclear disarmament, non-use of nuclear weapons and unconditional suspension of nuclear tests. We hereby propose effective international action for the realization of these demands.

It is our sincere wish that these proposals will be accepted and effectively promoted through international cooperation to give us hope for mankind's future, and we pledge here to continue our efforts toward this end.

Atomic Energy

Because of their special mentality toward atomic and hydrogen bombs, the Japanese people are cautious about the utilization of atomic power as an energy source. We are in principle for peaceful utilization of atomic energy, but as the matter stands at present, we have doubts about atomic power as an energy source. Together with increased demand for energy, various problems are being caused, including wasteful use of national resources, price problems and increasing pollution problems. Japan, poor in natural resources, particularly energy resources, imports about 270 million kilolitres of crude oil in a peak year, accounting for about 99.7 per cent of Japan's crude oil requirements.

Our party emphasizes the need to economize on the consumption of oil, to promote studies on new energy sources such as solar energy, geothermal energy and nuclear fusion reaction, and to utilize conventional energy sources such as coal and hydraulic power, from the standpoint of a fair distribution of natural resources in the world and their stable supply. Whatever the case may be, we consider it necessary to establish an international system of cooperation which will help maintain a balanced relationship between consumption and production and realize a stable supply on a long-term basis, instead of aggravating confrontation between oil consumers and producers.

Peace in the Middle East is inseparable from Japan's energy problem, and that a guarantee of the right of the Palestinian people, represented by the PLO, to national self-determination is needed for a lasting peace in the region, is the lesson we have learned through the repeated armed conflicts there. At a time when various endeavours are being made for the peace of the region, it is our strong wish that the

unity and cohesion of the Arab peoples will be strengthened and the conciliation and co-existence of the peoples concerned will be realized.

Economic Problems

Let me proceed to speak on the economic problems of this country and on our task of winning governmental power.

The present economic conditions of this country may be summed up as follows. In the course of the rapid economic growth after 1960, populations were concentrated in urban areas, while air and water pollution problems increased in seriousness because of misgovernment by the conservative party. Further, Japan's self-sufficiency rate in the supply of food-stuff declined, while the amount of investment in social overhead capital was held down to an absolutely low level, causing regional imbalance in the development of the economy and deepening the gap in the distribution of national income. Recently, in addition to these problems, in the midst of stagflation or the crisis of the world capitalist system as a whole, production is stagnating, with the result that the number of bankruptcies among medium and small enterprises recorded an all time high of 18,000 last year; and at present, the number of bankruptcies is reaching a new record every month.

On the other hand, Japan's trade surplus is increasing so rapidly that it has become the target of international attack. Of last fiscal year's trade surplus of \$11,100 million, Japan scored a surplus of \$4,000 million in trade with the United States and a surplus of \$3,800 million in trade with the European Community countries. This fiscal year, too, the Japanese Government made a great mistake in its outlook on the trade surplus, as it is now estimated to reach \$8,000 million - \$10,000 million this fiscal year.

This trade imbalance has increased distrust of Japan among foreign countries. It is not desirable, either domestically or internationally, as will be clear from the effect of the rising value of the yen. It is necessary to remedy this situation as early as possible on the basis of the principle of mutual benefit. We consider it necessary to establish a system of orderly marketing through increased domestic demand, increased imports through lowered import taxes, effective controls on the export of certain products and other measures.

At the same time we think it is necessary for Japan to promote international economic cooperation, particularly with developing countries, in order to dispel misgivings about Japan among foreign countries. We also regard it as essential for Japan to faithfully implement its commitment to earmark more than 1 per cent of its GNP for economic cooperation with developing countries in order to contribute to their economic independence and democratic development so that Japan may establish its international position as a reliable country.

Political Situation

Today, the reins of government are held in Japan by the Fukuda Cabinet of the Liberal-Democratic Party. It is fast losing its political leadership and the people's confidence in it is rapidly declining. Particularly because of the aggravating recession, more

and more people are saying that it is fast losing its governing ability.

The percentage of votes won by the Liberal-Democratic Party and the number of seats in the Diet are declining each time a nationwide election is held, and the difference in numerical strength between it and the opposition parties has been narrowed down. The situation in the Diet is such that it may be said that the ruling party and the opposition parties are nearly equally

balanced in both the House of Representatives and the House of Councillors.

At present, a number of opposition parties are engaged in political activities, displaying their respective characteristics. Among them, the JSP has 120 seats out of the total 511 seats of the Lower House and 53 seats out of the total 251 seats of the Upper House, and is playing a leading role as the first opposition party. Since 1973, our party has been calling on the other opposition parties

for cooperation in the establishment of a people's coalition government, a government based on a national united front against the Liberal-Democratic Party and against monopolies, and aimed at establishing a thorough democracy and stabilizing the people's livelihood. The cooperative set-up among opposition parties which we have promoted has as its aim the realization of a coalition government of opposition parties within the 1970s.

RYOSAKU SASAKI



An abridged text of the welcoming address of the Chairman of the Japan Democratic Socialist Party (DSP) to the Socialist International Party Leaders Conference in Tokyo, December 1977:

Today the world stands in a grave situation both politically and economically. It is extremely significant for this conference to take up at such a time for discussion possible solutions to problems commonly faced by all countries, such as international economic countermeasures to conquer recession and unemployment, nuclear disarmament and energy issues.

You are now in one corner of the Far East, I sincerely hope that all of you will take advantage of this opportunity and obtain a thorough understanding of the situation in the Asia-Pacific Area as well as in Japan. Since some of our comrades are here in Japan for the first time, I would like to explain briefly about our party, the Democratic Socialist Party of Japan.

Democratic Socialist Party

Since it was formed in 1960, the Democratic Socialist Party of Japan has been a member of the Socialist International. Our party platform is based on the spirit of the Frankfurt Declaration and it is aimed at promoting socialist reform through democratic means and at establishing a society founded on freedom and social justice.

Our party is an "open", popular party. It is organized by members from all walks of life, such as workers, farmers, intellectuals and medium and small merchants and manufacturers. Our Democratic Socialist Party

enjoys the full support of the 2,500,000 members of Domei (the Japanese Confederation of Labour), which is affiliated with the International Confederation of Free Trade Unions (ICFTU). I would like to point out that the Democratic Socialist Party is working to reform our society with the cooperation not only of Domei but also of all other democratic labour organizations in Japan.

The Democratic Socialist Party has been engaged in activities with its basic target set at construction of a welfare society in Japan. Our movement for the present places emphasis more on "contributions to the betterment of the people's life" than "political ideology".

Democratic socialists, however, must not confine their task to the enhancement of the welfare of only one nation. It is, therefore, our earnest wish to contribute to the enhancement of international wellbeing and peace of our Asian neighbours.

Asia-Pacific Organization

I would like to make a proposal as regards the duty of democratic socialists in Asia. My proposal is that the organization of socialists in the Asia-Pacific area formed some time ago should be rehabilitated.

The Asia-Pacific Socialist Organization (APSO) was organized in 1972 with the cooperation of the Socialist International in

order to establish the solidarity of democratic socialist parties in the Asia-Pacific area. Following a preparatory meeting held in New Zealand, the APSO was organized in an inaugural convention in Singapore. Regrettably, however, it has been stagnant thereafter. There are many reasons directly responsible for this. The unexpected death of the outstanding leader, Chairman Norman E. Kirk, New Zealand's Labour Prime Minister, was certainly one of the reasons. The ripple effects of the violent changes in the political situation consequent to the Vietnam War were another.

However, in order to overcome the stagnation fundamentally, we must take a realistic look at the social conditions in the Asia-Pacific area and adopt a new approach. We must cultivate deeper understanding of the following points.

The first point is the fact that the Asia-Pacific area is situated in the middle of the tri-polar structure made up of the United States, the Soviet Union and China. This is the cause of antagonism and tension, including military confrontation. We must not overlook the fact that the Sino-Soviet confrontation has been a political reality since the 1950s and that the political situation in the neighbouring countries of Asia, affected by this confrontation, has been increasingly unstable.

The second point is that the countries in the Asia-Pacific area have large populations and are suffering from poverty and that, except for a few countries, they are agricultural countries founded on homogeneous culture. The results of the self-help efforts of these countries towards modernization and industrialization have been offset by their population increases, making it extremely difficult for them to achieve progress in people's welfare and economic development. This is a reality which we must bear in our mind. In other words, socialism is a struggle against hunger and it has no *raison d'être* unless it can eliminate hunger from the Asia-Pacific Area.

The third point is that many of the countries in the Asia-Pacific area have built-in factors which could cause antagonism within the mixed society, such as racial, religious and language problems. Against this background, there are factors for social unrest in many of the countries. These factors can easily touch off a *coup d'état* or civil war.

The political regime in such a social structure, be it a military or a parliamentary government, naturally tends to lean towards authoritarian rule. Particularly when a country feels threatened because a powerful military state emerges on its border, it naturally accelerates the concentration of

power to counter the threat. We must, therefore, understand how difficult it is for countries in the Asia-Pacific area to achieve democracy and that the path towards democracy is full of bitter struggles.

I have just explained how thorny the path towards democratic socialism is in the Asia-Pacific area. It is at the same time this Asia-Pacific area that has unlimited potentiality for the future of human beings. No matter how thorny it is, democratic socialists in this area cannot abandon their duty to take up the challenge of this difficult task. Actually many of our comrades are continuing their hard struggle under extremely adverse conditions.

The Socialist International, since its formation, has spurred and encouraged peoples in developing countries by calling for an end to colonialism and for the construction of a Society founded on freedom and respect for man. The Oslo Declaration which the Socialist International adopted in 1962 expresses our determination for solidarity with the people of the developing nations. Democratic socialists must have a deep understanding of and far-reaching insight into the problems faced by developing countries. Our attitude should be to embrace those political forces which are striving to establish democracy but are in deep agony instead of to apply the principle of exclusion to them.

For these reasons, we hereby propose that efforts must be made once again to rally all democratic socialist forces in the Asia-Pacific area. Our Democratic Socialist Party hereby declares our readiness to make vigorous efforts and to assume our share of the responsibilities towards this end.

Recession and Unemployment

Next, referring to the themes of this conference, I shall explain the various problems faced by Japan today and our party's standpoint. The first problem is the serious recession and unemployment. Japan currently is in a recession which has lasted four years since the oil shock of 1973. Statistics show that there are 1,050,000 jobless people in Japan, an unemployment rate of two per cent. However, combined with the surplus labour force of 2,500,000 or 4.5 per cent not included in the government statistics, the rate of unemployment comes to 6.5 per cent. To make the situation worse, the recent upsurge of the yen on exchange markets has cancelled off once again the effects of expanded domestic demand.

To cope with this situation, we have drafted a number of emergency measures to find solutions to the problems of Japan's responsibility as a surplus nation and unemployment. These problems have stemmed from the global recession, and therefore, they cannot be solved fundamentally as domestic issues of one country alone.

Today we must chart a new path for co-existence and co-prosperity through international cooperation. We are pressed to build a new international economic order. I am deeply worried about the danger of a clash of nationalism because of emerging trade protectionism and the circumstances which are described even as an "economic war", all against the background of global recession.

Only through international solidarity and

mutual cooperation can we surmount this danger. The mission of the Socialist International is really great in this context.

Our comrade leaders who are here today represent political parties organized with the extensive support of the workers in their respective countries. The workers and their families are hit hardest by the current economic recession and are being threatened with fear of unemployment. Therefore, we believe that it is possible for us to carry out candid and serious discussions as comrades who "share each other's sufferings".

Fortunately we have here in this meeting representatives of the International Confederation of Free Trade Unions as well as of the European Community. We firmly believe that constructive results can be expected from this meeting.

The Energy Issue

The second is the energy issue. Japan, which does not produce oil, imports 300 million kilolitres of oil annually. Stable supply of petroleum and stabilization of its price are of vital importance to the Japanese economy and the people's life. It is important, therefore, that undue competition for acquisition of petroleum resources should be suppressed and a rule on fair distribution be established.

In view of the fact that oil resources are not limitless, I think that we must put greater effort into the development of alternative energy sources, including nuclear energy. We seek the cooperation of all countries concerned so that man will be able to enjoy equally the benefits of alternative energy sources to be developed through joint international research.

From this standpoint, our party contends that as a start peaceful use of atomic energy be guaranteed to every country, be it a nuclear nation or not. Needless to say, every possible precaution must be taken for safety and environmental preservation in making peaceful use of atomic energy. Our party does not take the view that peaceful use of atomic energy is a vice. At the same time, we think that any move by a specific country to prohibit re-processing of used nuclear weapons should be strongly opposed. This is because such prohibition is intended to discriminate between nuclear nations and non-nuclear nations, and would eventually cause an energy crisis for countries like Japan which have no uranium resources.

Détente and Security

The third point is the problem of détente and security. The nuclear race among the big powers and the danger of nuclear proliferation constitutes factors threatening peace. To cope with such a situation, we believe that we should take realistic and effective measures to promote nuclear disarmament and nuclear non-proliferation. For this purpose, we will strongly urge the United Nations Special Committee on Disarmament scheduled to meet next year: (1) to adopt a comprehensive treaty to prohibit all nuclear experiments, including blasts; and (2) to stop the production of mass-slaughter weapons, including nuclear and chemical weapons.

At the same time, we will strongly urge the countries which are not yet signatories

to the Non-Proliferation Treaty to sign the treaty and particularly ask such nuclear nations as China, France and India to participate in the Non-Proliferation Treaty.

The "struggle for peace" is not limited to the military field alone. Serious and tenacious efforts are needed to settle the North-South problem, which is a major cause of international tension. In this connection, I heartily welcome the inauguration of the "Independent Committee on International Development Problems" with Willy Brandt as its chairman [see elsewhere in this issue].

The Democratic Socialist Party would like to play an active role in the field of economic and technical cooperation with developing countries by bringing pressure on the Japanese Government. We believe that it is urgent for Japan to raise the ratio of its official assistance to the international target of 0.7 per cent of GNP.

We place emphasis on the conclusion of a peace treaty with China and also with the Soviet Union, and promotion of Japan's economic aid to developing countries, including South-East Asian countries.

We believe that we should respect the will of the peoples of both North and South Korea who are aspiring to the peaceful unification of Korea and try to make efforts to create an international environment favourable for unification. In order to achieve this, we should promote interchanges with the Democratic People's Republic of [North] Korea, while maintaining friendly relations with the Republic of [South] Korea. Moreover, we will seek the cooperation of both China and the Soviet Union for the alleviation of international tension, while advocating that the Democratic People's Republic of Korea and the Republic of Korea be admitted simultaneously to the United Nations, at which time cross-recognition should take place.

From the standpoints explained above, the Democratic Socialist Party does not espouse neutrality and demilitarization. Our party recognizes the need of self-defence and the need for the existing Japan-US security treaty as a regional safeguard to complement Japan's self-defence.

Socialism and Communism

The Socialist International celebrated the 25th anniversary of the Frankfurt Declaration last year. This demonstrated to the world the confidence of the member parties that in the past quarter of a century they have contributed much to their peoples in their respective countries. It was an occasion for telling the world about our ideals for the future based on our past achievements.

I recall the statement made by the late Kurt Schumacher at the first conference of the Socialist International held in Frankfurt in 1951. Referring to communism he said to the effect that "conquest of communism cannot be achieved merely by protest and criticism but by showing concrete evidence that we, the socialists, are winning in a free society." Since then, we have been piling up the incontrovertible evidence.

The world today is going through an era of violent changes which is often called an uncharted era. At such a time, democratic socialism must indicate a future course for the people as an alternative to capitalism and communism.

DISARMAMENT

Dr Raimo Väyrynen is the Director of Tampere Peace Research Institute, Finland, and the Secretary-General of the International Peace Research Association. He is a member of the Committee of International Affairs of the Finnish Social Democratic Party.

The arms race is by no means separate from the general economic, social and technological development of the international system and of its societies. Thus the present arms race is strongly conditioned by the technological and scientific progress which has become a key factor transforming the development of military apparatus and weapons systems into technology-intensive direction. The world is consuming annually more than \$20 billion in the military research and development (R&D) which has, in turn, enabled the continuous development of new, more destructive and more accurate weapons and the improvement of older ones. Hence the present arms race is essentially a qualitative phenomenon which is much more difficult to control and stop than the quantitative escalation of arms and military budgets.

It is noteworthy that the military R&D funds are highly concentrated — much more so than the military budgets, for example to the two leading military powers of the world, viz. the United States and the Soviet Union. There are, however, certain differences between these countries in terms of their arms-race behaviour. The United States has almost invariably been the pioneer of the qualitative arms race, and she has developed, with a lead of several years, most of the technologically advanced weapon systems. The Soviet Union has in general lagged behind in military technology and has in fact resorted more to quantities, be they tanks, missiles or troops. Due to their lower technological sophistication, Soviet weapons have often been more massive and less accurate than the corresponding US military equipment.

This gap in military technology is closely connected to the offence-defence competition between the United States and the Soviet Union. While the United States has usually initiated a new cycle in the armament race, the Soviet Union has responded by starting to develop either defence systems to counter the threat or by trying to match with a certain lag the initiative and construct a corresponding weapon system. Only recently has the Soviet military capability grown to the extent that its inferiority has largely disappeared, although there are still contrary examples, as the story of the cruise missile, for instance, indicates.

It is self-evident that the high levels of military spending attained by the United States and the Soviet Union have a bearing

on their economic and social systems. It is not difficult to realize that various economic, political, technological and military interests become intermingled and tend to foster the arms race. The present escalation of armaments is not thus only a set of reactions and counterreactions between US and Soviet military capabilities, but the arms race is strongly linked to various domestic factors, groups and interests. It seems that the combination of military-technological programmes, economic interests of arms manufacturers and bureaucratic interests of the defence ministries and various services has resulted in the situation in which the arms race has achieved a certain momentum of its own. Political decision makers have at least partly lost the control of this perpetuum mobile.

Military R&D is used to plan, develop and design weapons which will be deployed only after five to ten years. Arms manufacturers need these systems in their production schedules when the old systems are dying and various services try to push through those particular weapons which are militarily most promising and contribute to the preservation of their status in the armed forces. These factors tend to result in the situation which is conducive to the militarization of the international system. It is, however, erroneous to believe that these factors form a homogenous "iron heel" which unabatedly contributes to ever-growing weapon stockpiles. On the contrary, there are various social, first of all socialist, forces which aim at dampening these tendencies; and secondly, there are also conflicts and contradictions within the arms lobby. Services are seldom united, parliaments are split in weapons-procurement decisions and the interests of the arms producers and the military R&D community may be at variance with each other as well as with other building blocs of the military-industrial complex. Thus the progress in the arms race is a complicated and often a dialectical process which cannot be predicted with any remarkable certainty.

In other words, the technological arms race consists of both predictable and unforeseen components which are largely conditioned by the general development of the military technology. I have argued above that the present arms race is predominantly shaped by domestic factors of economic, military and technological character. This does not mean, of course, that there are no

political interests involved. The development and deployment of weapons systems are always motivated by political considerations, though not by them alone, and then tend to have, in turn, political repercussions. Some recent tendencies in US-Soviet military relations well illustrate this point. The American doctrine of flexible response and its recent modifications have no doubt aimed at increasing the flexibility of nuclear options and to make nuclear weapons politically more useful. The development of weapons such as the mininuke, the neutron bomb, the cruise missile and the MX missile are all motivated by this doctrine, while their development has caused considerable disarray in East-West relations. The motives behind the Soviet development of massive intercontinental missiles or the SS-20 missile are difficult to estimate, but the fact remains that they have had a political impact on Western political and military circles.

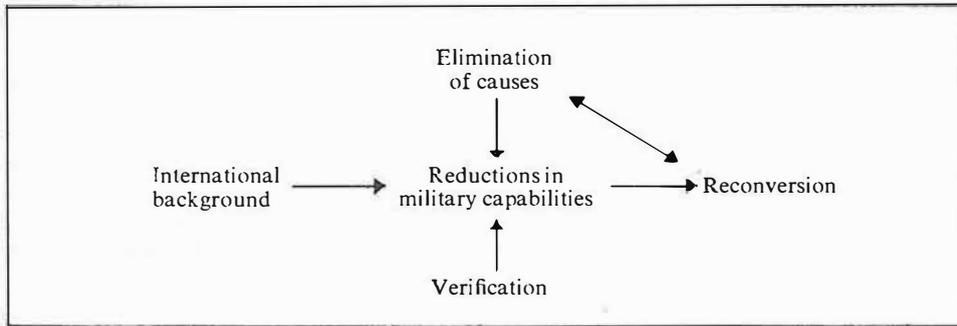
Finally, I would like to make some comments on the impact of the present arms race on the international system. In the 1950s the arms race was very much a bilateral affair between the Soviet Union and the United States, which was the pace-setter in this race. Since then their quantitative strength has relatively speaking declined and various burden-sharing arrangements have increased the role of their allies within the Warsaw Pact and NATO respectively. Militarization in the Third World has proceeded, however, even more vigorously, largely due to the two parallel processes of militarization in the Middle East and in the Persian Gulf. The former arms race is largely a result of unresolved political conflicts and existing distrust, while the latter is more related to Iran's regional ambitions and internal repression as well as to the rivalry between Iran and Saudi Arabia. In addition to that there are some countries in Africa, in particular South Africa, and in Latin America, in particular Brazil, which have undertaken vigorous programmes to expand their military apparatus. The militarization of the Third World is not separate from the central arms race between the United States and the Soviet Union, but they are connected through the intensified transfer of arms and military technology to underdeveloped countries.

What Way Disarmament?

The brief description of the main characteristics of the present arms race, provided above, indicates that progress in disarmament efforts is by no means a simple task. Several preconditions must be filled before real reductions in military capability become possible. Factors relevant in the disarmament process can be perhaps described in the following manner:

A FINNISH VIEW

Raimo Väyrynen



This scheme says simply that reductions in military capabilities — which may take place either unilaterally, bilaterally or multilaterally — are possible only in the situation in which certain international preconditions are met, in which certain other obstacles to disarmament are removed and in which sufficient verification methods are developed. Under these conditions unilateral reductions or disarmament efforts through negotiations may become successful. Finally the resources released through reductions in military capability should be converted from military to civilian purposes which is, in turn, pretty closely connected to the elimination of certain domestic causes of the arms race.

In the present period the negotiation strategy is very much in the forefront, but one should not forget some promising steps in unilateral initiatives which were mutually made and responded to by the United States and the Soviet Union in the early 1960s. The negotiation strategy has properties, e.g. the bargaining chips and the policy of negotiating from a position of strength, which may unduly delay the achievement of results. They may be furthermore outdated by developments in the arms technology. In this situation the unilateral policy of "mutual example" might be worth trying. We may, for instance, imagine that the unilateral renunciation of the deployment of the neutron bomb, the cruise missile, the SS-20 missile, the Backfire bomber and the MX missile, would have tangible positive implications from the standpoint of the SALT process.

There has been considerable criticism against the piecemeal approach applied in arms-control negotiations during the last ten years. This criticism has been partly unjustified, because results, which may not have been reached otherwise, have been achieved in that way. Furthermore, the negotiation strategy has had the consequence of sustaining and encouraging, but also complicating, the process of détente. It seems to us, however, that the piecemeal approach cannot live forever, and a more comprehensive disarmament programme is

needed to guide individual negotiations. This may sound idealistic — as it is in a way — but one should not forget the fact that this kind of disarmament programme was worked out in the early 1960s in the McCloy-Zorin statement and in the ensuing discussion on general and complete disarmament (GCD). One of the most important tasks in the near future is to revive this goal and provide substance to it. Steps towards this direction could be started in the formulation of the programme of action in the Special Session on Disarmament of the UN General Assembly in May-June 1978.

To return to our scheme, we may say that the most important ingredients of the *international background* are probably the continuation of détente and the maintenance of trust between major military powers. Naturally the materialization of these phenomena would be most welcome from the standpoint of disarmament for the simple reason that it is difficult to imagine progress in disarmament in a world which is characterized by high levels of international tension and distrust. Thus the process of détente is a necessary, but not a sufficient, precondition for disarmament, as recent events have indicated: in spite of détente the escalation of military capabilities has continued.

The *causes of the arms race* cannot be easily tapped, because armament serves no simple function in the present-day society and international system; its function is, instead, complex and diffused throughout many levels. The most important causes of the arms race, apart from the international tension, which should be eliminated or modified to facilitate the disarmament process, include military doctrines, intra-alliance policies in the promotion of joint arms production, as well as several domestic technological, economic, political and military factors. Space limitations do not allow me to go into details, and it may suffice to say that all the trends away from strategic thinking emphasizing power politics and military deterrence, away from intra-alliance policies stressing the consolidation and strengthening of the military infrastructure

and away from national security policy, relying on the procurement of technology-intensive armaments in which various economic, bureaucratic and political interests are involved, tend to contribute to advances in the reduction of military capabilities.

These reductions are, however, hardly possible without credible *verification* arrangements. Technological developments in satellite technology and seismic monitoring have solved a considerable part of verification problems, but they have not yet removed, and will in our view never remove, the need of at least a measure of on-site inspection which is, in turn, dependent on the political trust between parties involved. Furthermore, recent developments in arms technology — the cruise missile being a prime example — have decreased the opportunities to inspect the arms-deployment policies of the adversary by national means of verification such as satellites.

Finally, the decision makers and the economic system in general must be able to resolve the *reconversion* of resources, both human and material, which are released by the disarmament process. It is self-evident that this process is much easier in a planned economy than in a market economy. Nowadays experts agree, however, that reconversion policy is feasible also in a capitalist economy provided that sufficient advance planning is carried out, i.e. a market economy will not collapse as a consequence of disarmament. It is probably so that the reconversion of material resources is somewhat easier than the diversion of human resources from military to civilian uses.

Practically all the material resources which are needed in military production can be directly used in civilian production too. The same conclusion is also roughly valid in the case of human resources — researchers, engineers, planners and workers — although the generation of new jobs for them will most probably result in certain delays and other frictions of an economic character. An important point is that the military industry is almost invariably more technology-intensive than its civilian counterparts which means, among other things, that a lot of advanced electronics will be released for civilian applications. The problem emerges, however, that some of this technology, as well as a part of the staff involved, may be so specialized that civilian industry cannot use them. Such problems do not usually emerge in the case of semi-skilled and not even of skilled labour. It seems to me that the further the technological arms race and its sophistication goes, the more difficult, for reasons specified above, it is to implement reconversion schemes. This is one argument for not delaying and obstructing the policy of disarmament.

NORTH~SOUTH COMMISSION

The first two meetings of the Independent Commission on International Development Issues (ICIDI) were held at Gymnich Castle near Bonn and at Mont-Pèlerin near Geneva in December 1977 and March 1978 respectively, under the chairmanship of the Chairman of the Commission, Willy Brandt

The formation of the ICIDI had been announced in September 1977, when it was stated by Willy Brandt that the Commission would consist of about 15 eminent persons drawn from developing and developed countries who "will not be acting under government instructions" and who would "have the task of identifying those ways of restructuring international relations that would command the widest possible support". Subsequently the members of the Commission were appointed and a permanent secretariat set up in Geneva to be financed by "untied contributions".

Following the first meeting of the Commission, Willy Brandt made the following statement of its aims and structure in Delhi on December 22, 1977:

"It is my firm conviction that a solution of the grave world-wide problems between North and South constitutes the main economic and social question for the rest of our century. It is a task of global dimensions and needs the active cooperation of all governments and peoples.

"Thus, all efforts in this field will also have to be reviewed as to how far they can contribute to world-peace. They should aim at reducing tensions which might become dangerous unless one succeeds in reversing the trend of perpetuating basic inequalities amongst nations. A new system of orderly economic relations is, therefore, the only reasonable answer to this challenge.

"Considering the number of international organizations and conferences already in existence we may have to answer the questions relating to the establishment of this new Commission: Was there really a serious need for such a body? Why should it be independent? And why do we believe that such a Commission may be of value to foster the cause of the poorer countries of the world in their legitimate struggle for visible improvements? When the President of the World Bank suggested the establishment of such a body early this year, he was aware of the fact that numerous international bodies were already trying to tackle the grave problems between North and South. But he thought they should be supplemented by a high-level, deliberately unofficial Commission. In view of slow progress in international negotiations, this Commission should analyse the problems in an unprejudicial manner and recommend

actions to be taken by both developed and developing nations. It is not intended to increase the number of international organisations by just one more. On the contrary, the idea is to explore new roads and to bring about certain atmospheric changes. If this proves successful it will result in a package of realistic suggestions that might influence both public opinion and further negotiations. The underlying idea of this concept is that mutually agreeable solutions would certainly be better than the continued exchange of proposals and counter-proposals.

"Let me add what I said in the opening address to my fellow Commission members on December 9: 'We are under no instructions. We do not carry the burden of national governments' prestige. And we are not forced to try and win 'victories' for our particular views. We can afford to seek the common interest and thus to make a helpful contribution to a policy of peaceful but speedy change. Such change can be brought about within the remainder of this century if both rich and poor nations are convinced of the necessity to act.'

Contrary to the Pearson Commission almost ten years ago we will not work under the auspices of nor will the work of our staff be financed by the World Bank. We want to be independent also in this respect. Therefore, the operating costs will be met by untied contributions from a variety of donors.

"Needless to say that the Commission will not in any way preempt the decisions of governments and authorised international organisations. They will continue to have the sole responsibility for all negotiations. My Commission is meant to supplement these efforts by assisting in finding new possible solutions and in creating a better climate for speedy decisions. The expectations should certainly not be unrealistically high but I do hope that our work may effectively contribute to rearrange the scene.

"Since there has been some concern in developing countries, I want to make it quite clear that there is not the slightest indication that this Commission may be misused by governments of industrialized nations as a pretext for delaying decisions. Furthermore, I certainly would not lend my hand to it.

"In my Commission, members from developing countries are in a majority. I regard this as reasonable and justified, not only because it reflects to a certain degree the world in which we are actually living. I also wanted to get away from what might be called an artificial balance. Of course, it is our intention to arrive — wherever this is possible — at common recommendations. But if it were unavoidable, I would prefer

dissenting votes in the Commission report rather than having an artificial agreement concealing the real issues.

"The report which is expected to be drafted in about 18 months will be designed to reach a wide public audience. If we have any important message — as I hope we will — it should be presented in such a way that the average citizen can understand it. We shall, therefore, try to write a reasonable report that will not only appear on the bookshelves of experts.

"I was glad to note at our first meeting that my fellow commissioners shared my views on our common endeavours. Equally, the mutual understanding of the problems enabled this group to agree easily on a common work programme.

"The main elements of consent within the Commission can be described along these lines:

- The need for a new international economic order will be at the centre of our concern.

- While paying careful attention to UN resolutions on development problems and other issues explored in international fora, the Commission will concentrate on identifying desirable and realistic directions for international development policy in the next decade and beyond. As an independent body it is free to raise any inter-related aspects of the world situation.

- The Commission will devote particular attention to exploring the interdependence of both richer and poorer countries in world economy as well as to the need for solutions of world employment problems.

- In its endeavours to stress the need for global efforts, the Commission will try to improve the prospects for a greater involvement of all countries, including those with centrally planned economies, in international development efforts.

- Last but not least the Commission will pay attention to the relationship between armaments and development.

"When we decided on our 'terms of reference', words like 'aid' or 'the rich helping the poor' have deliberately been avoided and replaced by the notion of interdependence and mutuality of interest. Thus the Commission will attempt to shift the framework of debate. Public opinion in industrialised countries must be led to see the problem of international development in the light of having the developing countries achieve a just return for their own productive efforts. Development policy must be interpreted as cooperation for the benefit of all nations, and I repeat: it must lay the foundations for a lasting and secure peace.

"Some additional words on the Commission's secretariat. I am in a position to announce that Dr Dragoslav Avramovic, an internationally known development economist, has been appointed Director of the Secretariat. He comes from Yugoslavia, an important member of the group of non-aligned countries. Together with the Commission's Executive Secretary, Professor Goran Ohlin from Sweden, a neutral country, the Director will be ex officio member of the Commission. The same applies to Jan Pronk, until recently Dutch Minister for Development Cooperation, who has been appointed Honorary Treasurer."

Socialist Notebook

SI Zimbabwe Statement

The following statement was issued by the Socialist International on March 14 following the announcement of the "internal settlement" reached by the Smith regime:

The future of Zimbabwe must be based on majority rule.

No peaceful and durable solution based on majority rule can be found without the participation of the Patriotic Front.

As long as such a solution has not been achieved, sanctions against Rhodesia must be upheld in full solidarity with the people of Zimbabwe.

*Willy Brandt, President
Olof Palme, Vice-President
Bernt Carlsson, General Secretary
Socialist International*

ICFTU and Tunisia

The International Confederation of Free Trade Unions has lodged a formal complaint with the International Labour Office in Geneva against the infringement of trade union rights in Tunisia following the general strike of January 26. Specifically, it says the Tunisian government is in breach of ILO Convention 87 on freedom of association. To underline the gravity of the case, the ICFTU asked the ILO to pursue the complaint under its emergency procedure.

The complaint was made following the visit to Tunisia of a high-level international trade union delegation from February 19 to 21, which again tried to impress the government with the seriousness of the situation. The delegation was composed of Otto Kersten, the General Secretary of the ICFTU; Heinz Oskar Vetter, President of the German DGB; André Bergeron, General Secretary of the French Force Ouvrière; Wim Kok, President of the Dutch FNV; Luigi Macario, General Secretary of the Italian CISL, and Boniface Kaboré, President of the ICFTU African Regional Organisation and General Secretary of the OVSL of Upper Volta. They met Tunisian Prime Minister Hedi Nouria and expressed their shock and concern at the fact that no charges have been brought yet against the hundred or so trade union leaders arrested, including Habib Achour, the General Secretary of the Tunisian trade union federation UGTT and Vice-President of the ICFTU, as well as ten other elected members of the UGTT executive. Mr. Nouria replied that all detainees would be tried in an open civilian court and that the ICFTU could send legal observers, but under Tunisian law could not be allowed to help in the defence.

The delegation was allowed to meet Habib Achour for 30 minutes. He informed them that he insisted on a trial, so as to prove that all allegations about a political conspiracy by the UGTT are completely unfounded. He seemed in good health.

On its return, the delegation once again stated the view of the international free

trade union movement that the general strike was a perfectly legitimate expression of the workers' exasperation at the steadily deteriorating social and economic situation in Tunisia. In any case, democracy cannot be defended by undemocratic means such as the arrests and the intervention by the police and the armed forces on the day of the strike itself. On February 25, the UGTT held an extraordinary congress at which new members of the executive were "elected" and M. Tijani Abid named as new General Secretary. A decision on whether or not to recognise the new leadership rests with the ICFTU Executive Board, which will meet in Hamburg from May 17 to 19.

Costa Rica Elections

In presidential elections held in Costa Rica on February 5 the candidate of the ruling National Liberation Party (PLN — a member party of the Socialist International), Luis Alberto Monge, was defeated by the conservative Opposition Union candidate, Rodrigo Caraza Odio. The voting was: Rodrigo Caraza Odio 419,824 votes (48.8 per cent); Luis Alberto Monge 364,285 votes (42.3 per cent). A left-wing People United candidate obtained 62,740 votes (7.3 per cent). The successful candidate, who had been a member of the PLN until 1969, will assume office on May 8 in succession to President Daniel Oduber Quiros (PLN), who was constitutionally ineligible to stand for a second term.

In simultaneous elections to the Legislative Assembly, the PLN lost its majority, winning 25 of the 57 seats as against 27 for the Opposition Union, three for People United and two for other candidates.

Senegal Elections

In general elections held in Senegal on February 26, 1978, candidates of the ruling Socialist Party (a member party of the Socialist International) won 82 of the 100 seats in the National Assembly, obtaining 81.74 per cent of the votes. The Senegal Democratic Party (PDS) won 18 seats (17.88 per cent) and the African Independence Party 0 seats (0.38 per cent).

In presidential elections held on the same day the Socialist Party Leader, President Léopold Sédar Senghor, was re-elected for a further five-year term by an overwhelming majority of 82 per cent of the votes cast, against 17 per cent for the candidate of the PDS.

French Elections

A full analysis of the French National Assembly elections held on March 11 and 18, in which the Socialist Party emerged as the strongest French political formation but in which the left-wing parties failed to overturn the ruling government coalition, will be published in the next issue of SOCIALIST AFFAIRS.

South Korea Mission

After the Party Leaders Conference in Tokyo, the Socialist International sent a delegation of three members — Bernt Carlsson (General Secretary), Shozo Sugiyama (International Secretary of the Socialist Party of Japan), Roo Watanabe (Deputy Chairman of the International Committee of the Democratic Socialist Party of Japan) to the Republic of Korea for two days from December 23, 1977. The visit of the delegation was made at the invitation of the United Socialist Party (USP) of South Korea on the initiative of SI President Willy Brandt, in order to express the concern of the Socialist International about the "repression of human rights and freedom" noted in the Tokyo Declaration (adopted by the leaders conference in Tokyo—see SOCIALIST AFFAIRS, 1978/1).

The delegation on December 23, held a conference with the leaders of the USP at its headquarters, and later attended a dinner given in honour of the delegation.

Present at the dinner were about 200 persons representing various circles of the country. They included Yang Il Dong, president of the Democratic Unification Party, Li Dong Hwa, former chairman of the United Socialist Party, and democratic representatives, journalists and others who had just been released from prison.

In a speech, Bernt Carlsson told the people present that the Socialist International was particularly concerned over the problems of democracy and human rights in the Republic of Korea.

South Korean speakers at the dinner obliquely criticised the Park regime, saying that the reason why social democracy was in its infancy in South Korea should be sought not only in the lack of efforts on the part of social democrats in South Korea but also in the complete absence of objective conditions favourable for the growth of social democracy.

Speaking to the press on the morning of December 24, Bernt Carlsson emphasised that the Park regime should recognize the USP's freedom to approach the working people, the freedom to publish an official party paper and the freedom to collect political funds.

When it became clear just before their departure that the South Korea authorities had turned down the request of the delegation to meet Mr Kim Dae Jung, NDP leader hospitalised under detention, the delegation hurriedly visited Mrs Kim Dae Jung at her home.

The delegation inquired about the health of Kim Dae Jung, and encouraged her by promising all possible efforts of the Socialist International to win his freedom. The delegation told her that the Socialist International intended to invite Kim Dae Jung to a Bureau meeting of the Socialist International scheduled to be held in Hamburg in February.

Shozo Sugiyama



Left to right: Barbara Castle, Hannes Androsch, Peter Kiwitt, Hans-Juergen Wischnewski, P.J. Patterson



Left to right: Hans Apel, Wilhelm Haferkamp

