Bruno Kreisky on alternative economic policies Page 254

Lionel Jospin on the experience of government





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THE SOCIALIST INTERNATIONA

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'For democratic socialists, employment is the economic priority' - this basic point was made once again in the final statement of the Socialist International Conference on Democratic Socialist Alternatives in Economic Policy (page 239, with a report on page 236) and eloquently by the Austrian chancellor, Bruno Kreisky, in his address to the conference (page 254).

September and October saw the victories of two Socialist International member parties in Sweden and Spain. The victories will mean significant changes in both countries as their new governments launch new policies to address the impact of the economic crisis. Focus concentrates on the historic victory of PSOE in Spain (page 246) and the return to power of the Social Democrats in Sweden (page 252).



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EDITORIAL 8

The Reagan record

Halfway through the life of the Reagan administration, United States voters have just made their first judgement about its successes and failures. Their vote constituted a mild repudiation

of the government.

In Reagan's first two years, his administration dominated Congress in a fashion unseen since the early days of Lyndon Johnson, but the election results have ended that. President Reagan is now in the position of most of his predecessors, in which he will have to negotiate with the US legislature rather than command it. Having seen Reaganism in full flow, it will now be tempered with other political beliefs.

In the past, the Republican Party and Republican presidents have taken some dramatic initiatives in foreign policy. Eisenhower ended the Korean war and began summit meetings with the Soviets. Nixon pulled US troops out of Vietnam, opened American relations with China, and began the period of detente with the Soviet Union. The Republicans, as a party of the right, have often found themselves able to make advances toward peace to a degree which has surprised those familiar with their rhetoric.

Reagan's Republicanism was always of a special variety, however. Since he became a new-right conservative, abandoning the liberalism of his trade union days, Reagan has been the major spokesman for an American right that opposed almost all the bipartisan foreign policy initiatives since the second world war, as well as opposing all the social advances of the 1960s.

In its largest sense, Reaganism has had two central themes: in foreign policy, a ferocious view of Soviet communism as evil personified, in domestic policy, a vision of all non-military aspects of government as essentially drains on the productivity of the private sector, to be cut back as much as political circumstances would permit.

Unfortunately for the United States, and for the world, the US lacks a strong left, so the failure of the moderately conservative policies of Nixon, Ford and Carter led the nation to turn to an alternative further to the right.

After two years, the record of Reaganism is almost

unremittingly negative.

In immediate political terms, the most devastating failure has been in economics. This failure resulted from the application of two new ideas developed by conservatives in recent

years, monetarism and supply-side economics.

The Federal Reserve Bank, headed by a Carter appointee, Paul Volcker, has applied monetarism, while the Reagan administration ran through Congress the biggest and most regressive tax cut in US history. The results have been appalling. Unemployment is at a level unmatched since before the second world war. Bankruptcies are at a high unmatched since the Great Depression. Inflation has dropped, but real interest rates remain at an all-time high.

The Reagan budget also included a massive increase in military spending, at the same time as almost all other forms of spending were being reduced. As a result, this is the first US recession for more than fifty years in which programmes for the poor have been cut. Food and shelter lines in the US are lengthening this winter. The policies of the Reagan administration have made the rich a little bit richer, and everyone else a

great deal poorer.

The foreign policy of the administration can be simply described as escalating defence expenditure and escalating anticommunist rhetoric. All other foreign policy questions are seen to be the results of the East-West conflict. Reagan came to power determined to reverse Jimmy Carter's human rights policy, and to confront communism around the world. In practice, it has sometimes appeared, as in the pipeline boycott, that while other countries were to do the confronting, the same standards would not apply to Republican farmers in the

Midwest who were to be allowed to continue grain sales to the Soviet Union. Reagan's policy is marked by a dangerous escalation of the arms race between the superpowers. It has also been accompanied by a massive increase of arms sales to the Third World, which is now undergoing its own escalation of military conflicts, both hot and cold.

Reagan came to power with a bias in favour of Third World 'anti-communist' dictatorships. This set of alliances has clearly

failed to produce the desired results.

The low-key diplomacy with South Africa has not yet found a Namibian solution, nor ended South Africa's attempts to destabilise its neighbours, let alone led to any easing of apartheid. The new Central American policy has not moderated the conflict in that region, but increased it.

Macroeconomic failure and foreign policy failure are examples of Reaganism. Failures can be found in a host of other areas. There has been an attack on the labour movement. Worker protection rules have been stripped to the extent that such indices of safety as coal-mine deaths are rising for the first time in years. Key Reagan appointees, such as Thorne Auchter of the Occupational Safety and Health Administration, anne Gorsuch of the Environmental Protection Administration, and Interior Secretary James Watt, the cabinet secretary responsible for the environment, are infamous names in the USA today. These appointees are devoted to the privatisation of most of the wealth of society. They plan to sell off or transfer the property and power of the government, its national heritage, as cheaply as possible to private interests. National forests are being sold to private interests and federal waters are being opened for private exploitation. Once lost, this heritages is difficult to reclaim.

Even so, some policy commitments are puzzling. For instance, there is a deep commitment to nuclear power, at the same time as money for all other forms of energy research, including the synthetic fuels programme, has been cut back. Why nuclear power, oil wells and strip mining are more conservative than solar power, hydroelectric power and

synthetic fuels has never been made clear.

The attitude of the Reagan appointees bears no relation to the stewardship conceptions of the more traditional forms of conservatism — that even the wealthy want their children to inherit the world as they have done.

Reaganism has often seemed based on a short-sighted view of society and the future of humanity. Environmental poisons are spreading through the US and the world, and yet this administration is actually removing environmental protection regulations.

Reagan's success could be disastrous for the left, but, ironically, his failure is even more dangerous. The United States of America is by far the most powerful nation on earth, economically. If the US economy continues on a downward course, it will take with it the economies of the rest of the world, including the many nations with socialist and labour governments.

After two years of Reaganism, it is apparent that the policies of the new right are simply new packaging for the same old product. Surveys of the US electorate have shown that the ideas of Reaganism are generally distrusted, but that the president still is personally popular. Similar ideas have had a widespread impact on the world, not just through the effects of US power elsewhere, but also because conservatives in many nations have become more militant and extreme in their beliefs. As socialists, it is necessary not only to combat these philosophies through politics; but also to develop convincing alternative policies toward the present world crisis. In recent years, it is not clear that this has been done. If the intellectual debate is lost, in the end the political struggle might be lost as well.

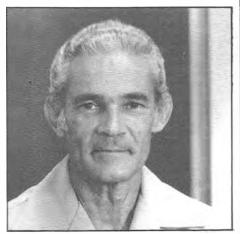
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Pushing North- South forward

he Socialist International has, of course, been integrally involved in the efforts to support a process of negotiation on conflicts in the North-South relationship for some years. The decision to establish a working group to follow up the Cancun summit is part of that commitment.

The working group, under the chairmanship of Michael Manley, met in Kingston, Jamaica, on 15 September to prepare a set of recommendations for the consideration of the Basle Bureau meeting and the Sydney congress. The meeting took place in conjunction with the annual convention of the People's National Party of Jamaica (PNP).



Michael Manley

The group considered the frustrations which have developed surrounding the failure to break the deadlock in global negotiations in the post-Cancun period. An analysis of the reasons for the blockage was followed by a series of concrete recommendations for action in the months ahead.

In its position paper, the group pointed out that while the COMECON countries had extensive programmes of mutual assistance, and certain conservative governments had developed programmes of support for Third World clients, no similar structure existed among countries governed by member parties of the Socialist International.

There was also a need, the group concluded, for a set of economic princi-

ples on relations between North and South, as part of the new declaration of principles currently under preparation by the Socialist International as a successor to the Frankfurt Declaration of 1951.

n interesting innovation in the continuing efforts to launch serious global negotiations emerged at the meeting. Drawing attention to the delays in arriving at even the most basic agreements on a global scale, and the urgent development needs in some countries, the group suggested the formation of a series of 'mini new international economic orders'. The concept would involve a group of Northern industrialised nations with a shared set of social and political values joining a group of nations in the South, similarly linked. The group suggested that such an order might include the Nordic countries and the Netherlands, working toward a specific set of development and trade goals with a small group of Third World nations.

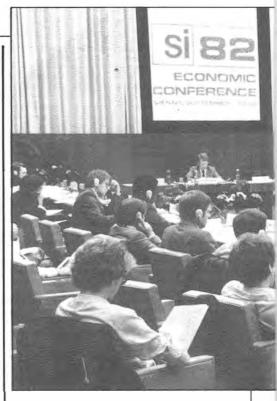
The Jamaican hosts addressed themselves particularly to the need for democratic socialism to provide concrete economic alternatives to the hegemony of the superpowers and the transnational corporations in Third World countries.

The PNP called for a democratic socialist development strategy and for a Socialist International policy of Third World development.

Elements of each included a commitment to the democratisation of the International Monetary Fund and other international institutions, assistance to developing countries free of economic and political strings or conditions, and a commitment to peace, sovereignty and social justice.

The proposals also included an appeal for party-to-party assistance on the level of technical, scientific and management training, as well as support for the fundraising efforts of Third World member parties.

The Cancun working group will meet again in advance of the Sydney congress and present its next set of recommendations to the congress resolutions committee for consideration by the congress.



Economic alternatives debated in Vienna

t the suggestion of the Austrian chancellor, Bruno Kreisky, the Bureau in Helsinki decided to hold a special conference on the problems afflicting the world economy, and to suggest democratic socialist alternatives.

The conference took place in Vienna on 21-22 September in the headquarters of the National Bank of Austria. The participants, drawn from the fields of politics and the trade union movement, economics, economic and social planning, considered a series of analyses of the dilemmas facing the world economy and some ways out of the recession.

The two-day gathering, titled 'The Socialist International Conference on Alternatives in Economic Policy' was opened by Bruno Kreisky, who reflected on the Austrian experience since the beginning of the seventies and through the two periods of recession in the past decade. He argued that the success of the Austrian model was grounded to a

SOCIALIST INTERNATIONAL NEWS VIENNA ECONOMIC CONFERENCE



considerable degree in public intervention in economic planning and investment, a broadly based system of national consensus on economic goals, and a determination to stimulate growth and employment in the economy as the country's key political goals.

Kreisky reminded the delegates and guests from countries and organisations that the consequences of mass unemployment had been a direct contributor to the horror of the second world war and that the destabilisation of society would be no less true today. He appealed for new movement on North-South issues, pointing out that it was only a Marshall plan in Europe following the second world war which had permitted recovery, and that in the wake of the recession and

the debt crisis in the Third World a similar programme should be considered for those countries.

Representatives of the Austrian trade union movement and government detailed the experiences they had had in pursuing an economic course different from those of many other industrial economies, and drew some lessons on the applications of those lessons elsewhere.

Willy Brandt, in his report to the conference, announced the reactivation of the Independent Commission on Development Issues, and the plans to issue an update of its emergency programme early in 1983. He also cautioned that those who were frustrated by the lack of progress in North-South negotiations should address themselves to the key central questions, and set aside, for now, some more marginal areas of concern.

The conference discussed a report by Jorge Sol on the recommendations of the Cancun follow-up working group, which had met the previous week in Kingston, Jamaica. The Central American economist, representing the National Revolutionary Movement (MNR) of El Salvador, said that there was a need to coordinate the planning efforts taking place on economic policy in Northern countries with those in the South. He called for an ongoing effort to share the economic experience of parties in government within the framework of the Socialist International.

Perhaps the most difficult question facing the meeting was the issue of reflation and stimulus for the world economy. Extensive discussion centred on the most appropriate and least inflationary methods of stimulating quality growth and employment. Several delegates drew attention to the perils of a reflationary programme at the national level if trading partners, and particularly the United States, continued to adopt contradictory strategies. Delegates from the Third World pointed out that the problems of inflationary pressures as a consequence of public investment in the economy, or any other methods of economic stimulus, rather paled when set beside the problems of starvation, economic disintegration and the crushing debt burdens faced in many of their countries.

A statement by the conference stressing the central priorities of job creation and progress in North-South negotiations was adopted. It is published on page 239 🕏

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Oscar Debunne



Bernt Carlsson, Bruno Kreisky



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SOCIALIST INTERNATIONAL NEWS VIENNA ECONOMIC CONFERENCE

Statement by the Socialist International conference on democratic socialist alternatives in economic policy

he right to work is of vital importance, both as a means by which all may share in the national prosperity and as the expression of the creative aspiration of humanity. For democratic socialists, therefore, employment is the economic priority. Since the beginning of the workers' movement this has been a key goal. In the face of tens of millions of unemployed around the world today, it remains a crucial issue. In both the short and medium terms, in both the developing and industrialised worlds, with new definitions of work and technological change, it will continue to be the priority.

Nature of the crisis

Today there is an unparalleled world crisis, led by economic failures but integrally linked to problems of food and energy production and environment questions, and exacerbated by the arms race. The pressures exerted by these multiplying crises are accumulating rapidly.

Failed solutions

It is now clear that the conservatives and neo-conservatives have failed in their applications of monetarist programmes. And failed utterly. Their simplistic solutions have eased inflation but at the cost of dramatically increased unemployment, declining living standards, dangerously heightened social tensions, and a neglected public infrastructure which imperils the capacity for future prosperity.

However, not only have they endangered their own societies, but through their damaging impact on the world economy they have severely affected other industrialised countries and the developing world.

Democratic socialist alternatives

Alternative policies are available which could lead us out of this crisis, and it is of the utmost urgency that such policies are rapidly and widely implemented.

Rather than relying solely on budgetary and monetary policies to control inflation, governments can establish an economic environment that is much more amenable to the growth of employment and production by implementing cooper-

ative policies on prices, incomes and income distribution.

In this regard, the experience of Austria is instructive in the successes they have achieved despite the world recession.

A highly developed social partnership, allied to a coordinated programme of public and private investment in job creation, structural adjustment and technological change, has maintained employment and growth and checked inflation.

However, as the Austrian experience shows, economic policies are needed in present circumstances which maximise the potential for job creation. Such policies, which could also be used to improve the quality of growth, include:

- investment programmes in the fields of environmental protection and energy policy;
- raising the profitability of productive

real investments over that of financial investments;

- income policy measures benefiting the lower income brackets, in the interests of redistribution and the stimulation of demand;
- differentiated and flexible reduction of working hours and the duration of working life;
- public and private investment in new housing and urban renewal — including health, education, sewage and transportation facilities.

There is an urgent need to apply new economic policies in both North and South. As Willy Brandt said in his statement to the conference, the problems of deforestation and soil erosion are now global. Spiralling arms expenditures frustrate the ability to devote the capital needed to solving them.

He added that financial support for the Third World can benefit the North through expanding output in the capital goods industries in which capacity utilisation is currently very low.

An emergency programme in the areas of debt relief, energy and food production is urgently needed.

Interim solutions will be necessary until the process of global negotiation on the international economic order and international financial reform bears results. These solutions should include bilaterial agreements. A North-South agreement between a group of industrialised countries sharing similar goals and a group of developing nations committed to appropriate policies on income distribution should be explored as an additional measure, as proposed by the working group to examine North-South issues which recently met in Kingston, Jamaica.

Solidarity has always been a pillar of democratic socialist thinking. Today there is a greater need than ever to coordinate the policies of democratic socialist governments on employment, quantitative and qualitative growth, and on development in the Third World. Solidarity between the trade union movements and the parties, the parties and governments in both North and South can make these democratic socialist alternatives a reality.



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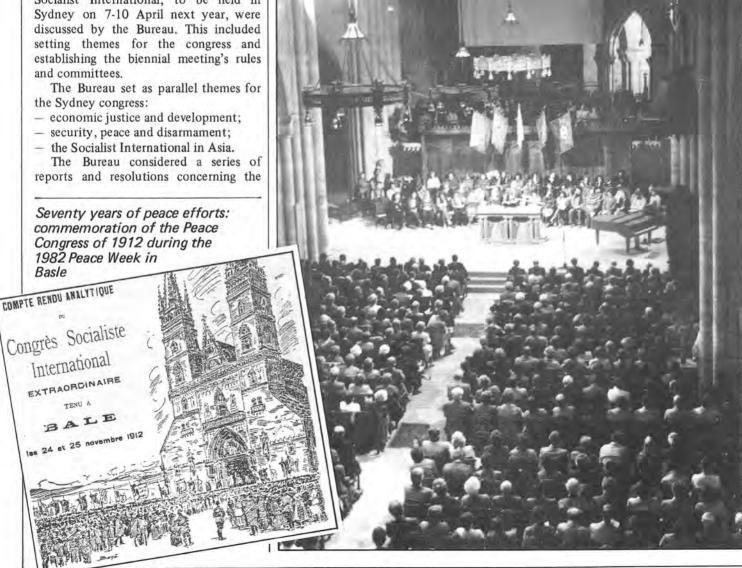
SOCIALIST INTERNATIONAL NEWS BASLE BUREAU MEETING

Bureau sets themes for Sydney congress

n two lengthy days of deliberation, the Bureau of the Socialist International tackled a crammed agenda in its second meeting this year. The meeting, hosted by the Social Democratic Partyof Switzerland and held on 3-4 November in Basle, Switzerland, took place exactly seventy years after the famous Socialist International Peace Congress of 1912, also held in Basle. Bureau members took part in ceremonies commemorating attempts to halt the arms race and the first world

Preparations for the congress of the Socialist International, to be held in political situation in different regions, including the Middle East, Latin America and the Caribbean, and Southern Africa. The governing body of the Socialist International also heard reports on the activities of the Disarmament and Arms Control Advisory Council, the Cancun Follow-Up Working Group, and the Vienna Economic Conference.

The Bureau debated the Israeli invasion of Lebanon, the complex questions flowing from it and the initiatives which have been taken in its wake. The chairman of the Socialist International Working Group on the Middle East, Mario Soares, of the Socialist Party of Portugal, reported on the work of the group to the Bureau, He recalled the extensive activity since the invasion in June and the November meeting. The group has conducted two missions to the region and participated in the search for peace in discussion with many of the leaders in the region. Mario Soares spoke for the Bureau in his unreserved condemnation of the Palestinian massacres in September and the need to build a new momentum for peace in the



SOCIALIST INTERNATIONAL NEWS BASLE BUREAU MEETING

wake of the summer's tragic events. The group was asked to continue its work and to follow developments in the months leading to the Sydney congress.

second focus of discussion was the situation in Latin America and the Caribbean, particularly the escalating conflicts and tensions in Central America. The Bureau heard reports from member parties and guests from El Salvador, Guatemala and Nicaragua, in addition to detailed reports by former Venezuelan president Carlos Andres Perez and former Jamaican prime minister Michael Manley. The resolution adopted on the subject is published opposite.

The president and several member parties welcomed the victories in Spain and Sweden in recent weeks, and hailed the inauguration of the new president of Bolivia, Hernan Siles Zuazo, and vice-president, Jaime Paz Zamora.

The Bureau gave its approval to the project for a conference on Southern Africa. The conference, on liberation and economic development in the region, will take place in Arusha, Tanzania, in June 1983. In January a preparatory conference will be held in Harare, Zimbabwe, to draft a conference statement for the June meeting as well as finalise its programme. The conference will bring together member parties of the Socialist International and representatives of the front-line states and the liberation movements.

The Bureau recommended the acceptance of two new consultative member parties to the Socialist International—the Progressive Labour Party of St Lucia in the Caribbean, and the Working People's Alliance of Guyana. These and other recommended new members will be considered by the congress itself.

The meeting was preceded by several committee and preparatory sessions. It was attended by nearly 120 delegates, guests and observers from thirty-nine countries.

The emotional celebrations of the 1912 peace congress included a ceremony held in the cathedral of Basle, where the peace efforts of early socialists such as Keir Hardie, Jean Jaures, August Bebel and Rosa Luxemburg were evoked in speeches and song.

The Bureau next meets prior to the Sydney congress, when it will consider the drafts prepared by the congress resolutions committee and make the final preparations for the first congress of the Socialist International to be held in the southern hemisphere.

Resolution on Latin America

The Bureau of the Socialist International after having analysed the situation prevailing in Latin America and the Caribbean agreed:

Central America

1. To condemn the recent abductions by the security forces of the government of El Salvador of Mauricio Domenech, Jorge Herrera and David Elias Guadron (whose whereabouts are still unknown) of the National Revolutionary Movement (MNR), as well as of other members of the Democratic Revolutionary Front (FDR). The Socialist International demands their immediate and unconditional release.

To denounce this act of state-sanctioned terrorism which occurred just as it was proposed that a dialogue take place. This is a direct attack on this process. The Socialist International firmly believes that a political solution between the FDR/FMLN and the government is the only feasible way to bring about peace and a lasting settlement in El Salvador.

To fully support Guillermo Manuel Ungo's initiative for a dialogue and to reiterate its demand to the US administration that it stop any further military aid, as this aid is only escalating and regionalising the conflict and is creating a permanent threat to peace and stability of the region.

To reiterate its full solidarity with its member party, the National Revolutionary Movement (MNR).

- 2. To condemn the militarisation of Central America and the plans for military aggression against Nicaragua and the staging of military manoeuvres in the region which aggravate tensions in the area.
- 3. To welcome the decision of the Patriotic Front of the Revolution in Nicaragua to request of the Junta of the Government the elaboration of an electoral law, a law for political parties, a law on foreign investments, a law regulating the means of communication and the reform of the state-of-emergency law which will allow political parties to function. In this sense, we ratify our support for the original project of the Sandinistas for political pluralism, a mixed economy and non-alignment.
- 4. To accept the invitation forwarded by Nicaragua for a fact-finding mission by the Socialist International. To that effect, the following members have been designated: Ed Broadbent, Carlos Andres Perez, Michael Manley, Daniel Oduber, Mario Soares, Anselmo Sule, a representative of the Socialist Party of France, a representative of the Social Democratic Party of Germany, a repre-



Jean Ziegler, Christoph Berger

harles Kassmar

SOCIALIST INTERNATIONAL NEWS

BASLE BUREAU MEETING

sentative of the Swedish Social Democratic Party, and the general secretary, Bernt Carlsson. This same mission is to travel to Costa Rica with the objective of promoting, together with the National Liberation Party, steps leading to a permanent peace in the area.

- 5. To condemn and denounce the policy of systematic extermination of the Indian population by the military regime in Guatemala which has taken the form of genocide. Equally, we condemn the murders sanctioned by the state of political leaders.
- 6. To convene a conference aimed at non-intervention, stability and peace in Central America.

South America

- 1. To publicise the recent discovery of clandestine cemeteries in Argentina, which makes it even more urgent to press for the democratisation of the country. Furthermore, to express its full support with the Mothers of the Plaza de Mayo, with the movements in defence of human rights and with the democratic forces, in particular, with the Multipartidaria, for their courageous struggle in favour of democracy and liberty in their country.
- 2. To welcome the process of democratisation known as the 'abertura politica' in Brazil and to hope that the will of the people is fully respected at the forthcoming elections.
- 3. To express its satisfaction with the political developments which have taken place in Colombia and to express that this process will permit the strengthening of democracy and national conciliation in that country.
- 4. To denounce the economic model imposed by the military dictatorship in Chile and to point out the resulting consequences: misery and hunger for the people as a whole.

To support and promote the democratic forces in Chile and to encourage the process of unification in order to put an end to the dictatorship and to support, in particular, the fight for the rights of the Chilean people to live in



Willy Brandt



Carlos Gallardo Flores

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their country without preconditions.

- 5. To call on the democratic political forces in Ecuador and Peru to ensure the necessary steps for the enforcement of a law guaranteeing a democratic process in the country.
- 6. To express its solidarity with the struggle of the people of Paraguay against the dictatorship in that country and, in particular, with its member party the Febrerista Revolutionary Party, PFR.
- 7. To condemn the repression carried out in recent days against political leaders fighting against the military dictatorship in Uruguay.

To support the Convergencia Demo-

cratica de Uruguay and the political forces fighting to transform the next internal elections into a new plebiscite against the government.

To demand the lifting of all sanctions against Wilson Ferreira Aldunante, as well as liberty for General Liber Seregni.

To press governments to condemn at international forums the violation of human rights in Uruguay.

The Caribbean

1. To deplore and condemn the attempts to isolate and to destabilise Grenada and to publicise its satisfaction at the beginning of a process of democratic institutionalisation on the island, putting an end to the transition period.

- 2. To denounce the increase in crimes by the regime in Haiti and to express its solidarity with the opposition forces in that country.
- 3. To support the Puerto Rican Independence Party, PIP, in its fight for independence and to stimulate the start of a process towards this aim.

ALDHU

To publicise its support for the Latin American Association for Human Rights, ALDHU, and to request governments, parties and friendly organisations to collaborate with the work of that organisation, aimed at the promotion of democratisation in the region.



Sachiko Taguchi, Shozo Sugiyama, Doureid Yaghi



Margherita Boniver

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Puerto Rico Independence Party, PIP Ruben Berrios

Uruguay

Convergencia Democratica en Uruguay, CDU Diego Archard

Western Sahara POLISARIO Front

Fadel Ismail

SOCIALIST INTERNATIONAL NEWS



Disarmament, The Middle East, The North-South dialogue, Revolution in Latin America, Socialist strategies in times of recession...

Willy Brandt
Felipe Gonzalez
Michael Foot
Bruno Kreisky
Michael Manley
Francois Mitterrand
Daniel Oduber
Olof Palme...

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Disarmament and Arms Control Advisory Council meets in Malta

In the conference centre in the ancient city of La Valletta, Malta, the Socialist International Disarmament and Arms Control Advisory Council (SIDAC) met on 16 October to prepare its progress report for the Sydney congress

Under the chairmanship of the Finnish prime minister, Kalevi Sorsa, the council reviewed progress in disarmament talks launched this summer in Geneva, the impact of the second special session of the United Nations on disarmament, and the activities of the Socialist International and its member parties in promoting disarmament and arms control. The council decided to update its report and action recommendations, including an assess-

ment of emerging threats to peace, for the Sydney congress next year.

The meeting also considered the question of security in the Mediterranean region, at the suggestion of the host party, the Malta Labour Party. The delegates also debated the threats posed by the increase in conventional arms trade, particularly the explosive growth in arms traffic with countries of the Third World.

The council was established in 1980 as a permanent body of the Socialist International, to further the work of the organisation in the field of disarmament. Since that time, it has conducted discussions in Washington and Moscow. The Advisory Council replaces the Study Group on Disarmament, whose report to the Madrid congress in 1980 was adopted unanimously.

Southern Africa conferences set for January and June

After more than a year of preparation, including missions to the region, the Socialist International has now set June 1983 as the date for the conference on Southern Africa, to be held in Arusha, Tanzania, with a preparatory conference to be held in Harare, Zimbabwe, in January. The two meetings represent a continuation of the efforts of the Socialist International and its member parties to accelerate the process of liberation in Southern Africa and building support for the economic development needs of the front-line states.





Joe Grima, Leo Brincat, Joe Cassar, Ronald Dalli of the Malta Labour Party; inset, SIDAC chairman Kalevi Sorsa

SOCIALIST INTERNATIONAL NEWS

The Socialist International sent a mission to the region in 1977, led by Olof Palme and Kjeld Olesen, and the Bureau of the International adopted an action programme on Southern Africa, based on the mission's recommendations, in 1979. The Madrid congress strongly endorsed the campaign for liberation in Namibia, and in Paris in 1981 the Socialist International set up a preparatory group to begin the planning and preparation of a conference in the region.

The two-day meeting will take place at the Arusha International Conference Centre in northern Tanzania, the site of several historic African and international meetings in recent years. The final preparations for the conference will take place early next year at the meeting in Harare, at which Socialist International member parties, with representatives of the front-line states and the liberation movements, will set out the agenda and consider proposals for a programme of action.

Certain to be high on the agenda will be the continuing efforts of South Africa to frustrate negotiations leading to the establishment of an independent Namibia and the sponsorship of anti-government guerrilla groups by the South African government in a number of the front-line states.

The preparations for the conference will continue to take place under the chairmanship of Joseph Ki-Zerbo of the Progressive Front of Upper Volta, and Jean-Bernard Curial of the Socialist Party of France.

Socialist International parties in government

The recent election victories of the Swedish Social Democratic Party and the Spanish Socialist Workers' Party increase to nine the number of Socialist International members who form the sole ruling parties in their respective countries. The other seven are the Austrian Socialist Party, the Barbados Labour Party, the National Liberation Party of Costa Rica, the Dominican Revolutionary Party, the Grenada New Jewel Movement, the Malta Labour Party and the Socialist Party of Senegal.

The fall of the Schmidt government in Federal Germany reduces the number of member parties participating in

coalition governments from eight to seven. Of these the Social Democratic Party of Finland, the French Socialist Party and the New Antilles Movement of the Netherlands Antilles are leading their respective governments, while the Italian Socialist and Social Democratic Parties, the San Marino Unitary Socialist Party and the Swiss Social Democratic Party are coalition partners.

Contacts with China

Representatives of the Communist Party

of China and the Socialist International met in London on 25 September for informal talks.

Participants in the meeting were, from the Communist Party of China: Zhu Liang, deputy head minister of the liaison department, and Shi Zhong Ben, of the international liaison department; and from the Socialist International, the general secretary, Bernt Carlsson.

The meeting was hosted by the charge d'affaires of the embassy of China, Geng Liang, and took place at the residence of the ambassador.

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It has been a while since the Socialist International could celebrate two such dramatic victories in such close succession. Although the pride and optimism has been tempered by the reverses suffered elsewhere and the continuing nightmare of the world recession, the triumph of the Swedish Social Democratic Party and the Spanish Socialist Workers' Party are important advances for social justice in Europe, and perhaps beyond.

The new Social Democratic government in Sweden, led by Olof Palme, has already begun to make significant changes as it attempts to rebuild

country's economy in the face of the economic difficulties inherited from the bourgeois parties' coalition government.

The new government in Spain, led by Felipe Gonzalez, marks the beginning of a truly new era in Spanish history. Spain's first socialist government promises to tackle the problems of employment and growth as an early priority – at the same time as it attempts to entrench democracy.

Focus in this issue looks at the background and implications of both victories.

Spain: an historic vote for change

PSOE

The election

pain has elected the first socialist government in its history. This may come as a surprise to some who remember the last government of the Spanish republic. But the election of 1936 produced a Popular Front government, which while it included the Spanish Socialist Workers' Party (PSOE) could only be described as a broad coalition.

The victory of the Spanish socialists is the largest in the short history of the new period of democracy.

The election victory of PSOE, while widely predicted in advance of the 28 October voting day, exceeded the expectations of all but the most optimistic. The party now holds 202 seats out of

The Focus and Horizons sections are intended to provide authors with an opportunity to present their views on issues of interest to socialists. We stress that the views expressed are the authors' alone and in no way represent the views of the Socialist International or any of its member parties.

the 350 in the Spanish parliament. This massive victory, winning more than 46 percent of the vote and more than 57 percent of the seats, meant devastation for several formerly strong opponents.

The former governing party, the Union of the Democratic Centre (UCD), suffered the most dramatic loss, falling nearly 28 percent in popular vote, to 7.3 percent. The communists, who have not done well in any of the three post-Franco elections, lost more than half their vote support and three quarters of their elected representation. There will be only four communist members in the new parliament. The party's long-time leader Santiago Carrillo has resigned.

The second beneficiary of this massive swing in the allegiances of the Spanish voter was the right-wing Popular Alliance (AP), led by Manuel Fraga. The party experienced the largest growth in its popular vote and representation in proportionate terms. It received nearly 26 percent, almost five times its 1979 vote. Fraga will become the leader of the opposition.

As outlined elsewhere in this special focus on the Spanish election, the road to power for the PSOE was a long and difficult one. The party was founded more than a century ago, and suffered bitterly during the period of the Franco regime. The roots of the election victory can be found in the work by the party and its leader Felipe Gonzalez, in the

early seventies in clandestinity and in the years since the party's legalisation in 1977.

Ithough the party had done well in the elections of 1977 and 1979, as well as in a series of regional, municipal and trade union elections, the 1982 campaign represented a textbook case of electoral organisation.

The message to the Spanish voter was simple - for change, vote PSOE. Its image and means of communication were equally clear and straightforward. Felipe Gonzalez travelled tens of thousands of kilometres in a specially designed and equipped bus, and addressed evening rallies several times a week.

Although it was clear even before the campaign was launched that Gonzalez was the most popular leader in Spain, and that PSOE was the most likely victor, the election presented special challenges for the party. The revelation of a coup attempt early in the election confirmed in many minds that elements of the forces remained implacably opposed to a socialist government and to democracy itself. The prospect of terrorism during the campaign presented a further dilemma for a party proposing change. The assassination of a general just after the election was a further shock.

Accordingly, the party campaigned on a succinct and precise set of commitments, as conceived by Alfonso Guerra, director of the campaign. The leader and the party conveyed a low-key reassuring image, stressing that the programme would not destabilise Spain's fragile democracy.

mong the commitments were a programme to create 800,000 new jobs during the first term of office, and a determination to use public investment to help create employment. The party promised to institute measures to assist small and medium-sized businesses, and to restrain the growth of public sector expenditure.

The party avoided a pledge of wide-

spread nationalisation, concentrating instead on putting the electrical generating system in public hands. The new government is pledged to intervene to bring down interest rates, channel more resources to productive investment and decentralise economic decision making.

In the field of social policy, the party promised to increase old-age pensions and ensure that the purchasing power of oldage pensioners is not eroded. It is also planned to reduce the retirement age.

In defence policy and foreign policy, PSOE is committed to holding a referen-

dum on the question of Spain's membership in NATO, and integration of the military command structure into that of the alliance will be frozen until the outcome of that referendum is known. The military will also be the beneficiary of measures to ensure that its personnel intake and training systems are more compatible with Spain's social realities and democratic status. The United States-Spain defence treaty, including the status of US bases in Spain, will be reconsidered.

The new government will give priority to strengthening the country's ties with Latin America and the countries of the Mediterranean basin. The party also committed itself to press for an acceleration of Spain's entry into the European Community, and for a return of Gibraltar to Spanish sovereignty.

These are but some of the elements of the programme of action with which PSOE fought the election.

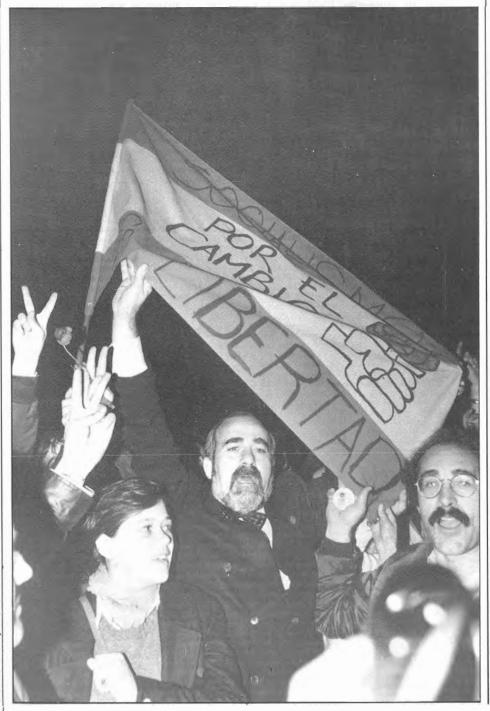
To those critics in the media and elsewhere who suggested that this was not a very radical programme for a country facing serious economic and social dilemmas, the party leadership pointed out that their first priority would be to guarantee Spanish democracy. Leading members of the party stressed that making Spain a respected member of the community of democratic nations would be an important early task.

The euphoria of the thousands of Spaniards who took to the streets to hail the victory of PSOE on election night is testimony to the fact that the country felt PSOE was the best guarantor of democracy and social justice. The decisive rejection of fascist candidates underlined Spanish voters' determination to preserve their new democracy.

nly five years after the party was again legalised, PSOE now leads a majority government in Spain. Although both the extremes of left and right have been defeated convincingly, the new government will face strong opposition from the conservative Popular Alliance. Fighting to preserve democracy and social change in harsh economic times will be a daunting challenge.

In an almost subdued manner, and with the quiet confidence which Felipe Gonzalez demonstrated throughout the election, the Spanish socialist leader said on election night:

'We are ready to assume the responsibility which the Spanish people have placed in our hands, to its conclusion'.



Christian Viouiard / Gamma

PSOE

The party leader

t is indeed a remarkable story — from an ageing and crippled party in exile to one of the largest and most vibrant socialist parties in the world, in less than a decade. In some respects, the victory of the Spanish Socialist Workers' Party (PSOE) on October 28 is less stunning than the years of organisation and struggle which led to it.

The resurgence of PSOE to the fore-front of the European and world stage, after forty years of repression, can be traced, in part, to a small office in Seville in 1966. The labour consultancy run by Felipe Gonzalez and a small group of colleagues combined advice to the reawakening trade union movement in Andalucia and, clandestinely, work on the building of a revitalised party of democratic socialism in Spain. Gonzalez's specialisation was the defence of workers

facing dismissal for breach of Franco's repressive labour laws.

When the twenty-seven-year-old labour lawyer arrived from Seville at the meeting of the PSOE national executive in Bayonne, France, in 1969, the ageing veterans of the Spanish republic must have been bemused by the optimistic predictions about a rebirth of socialism that he offered.

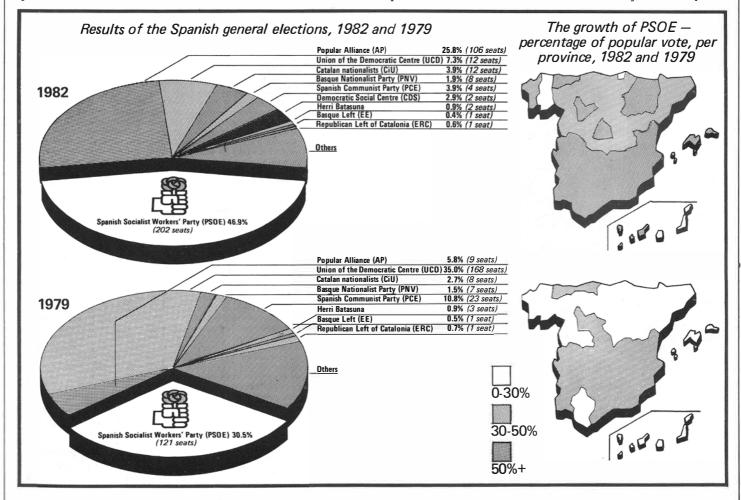
Gonzalez, travelling and working under the name 'Isidoro' to escape the attentions of Franco's secret police, reported on the work being done in Andalucia to reorganise PSOE and the socialist General Workers' Union (UGT). Appearing relatively unknown, and uninvited, Gonzalez called for an acceleration of organising activity underground, from within Spain, and not, as had been the practice, from exile.

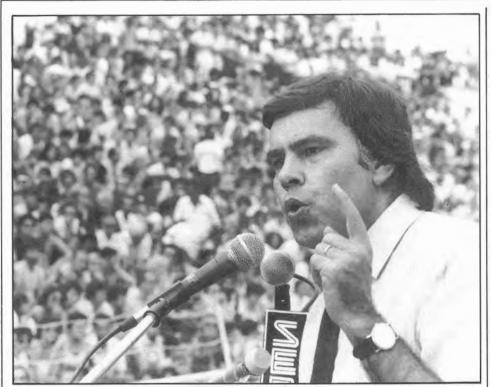
The rebirth of socialism may seem less remarkable today, with the memory of six years of democracy and now three elections since the death of Franco; but in 1969, Spain was a military dictatorship. Political parties and trade unions were illegal, public meetings and strikes were met with harsh prison terms. In

Franco's Spain, built on the ashes and blood of the socialist-led republic, any hint of a rebirth of PSOE was not dealt with lightly. Gonzalez was frequently arrested by the security forces.

In his first elections, Gonzalez was often questioned about his age and whether his lack of experience would make governing the new democracy difficult. He quipped that he had twenty years' experience fighting for democracy, which was more than most party leaders. Many of those years were spent semiclandestinely, daily facing long prison terms for things as innocuous as owning a photocopier or discussing trade union organisation in public.

elipe Gonzalez's commitment to social justice and democracy began early. Born the son of a dairyman in Bellavista, a suburb of Seville, in 1942, he was by his teens active in the catholic youth organisations. As a young activist in student politics — at first at the College of the Claretiano Fathers and then at the University of Seville — Gonzalez came into contact with the clandestine young socialists of PSOE. He joined the youth





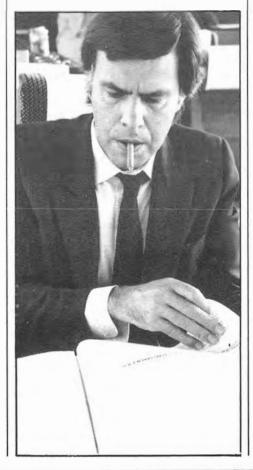
section in 1962, PSOE itself two years later, and in 1965 was elected to the Andalucian party executive.

Despite arrests and harrassment in this period, Gonzalez continued the organising drive in and around Seville. He and a group of colleagues, who were later to form the nucleus of the young leadership following legalisation, began working together in this period. Alfonso Guerra, the party's current deputy general secretary, Guillermo Galeote, Rafael Escuredo (elected premier of Andalucia in May this year), and Luis Yanez, became known as the 'Seville mafia' as they began their move into the higher echelons of the party.

While in Belgium at the University of Louvain on a scholarship in 1974, Gonzalez was moved by the plight of Spanish migrant workers in the country. He wrote to a friend that the Spanish workers were 'abandoned, oppressed, exploited and despised . . . I have made my decision and will follow the path I have chosen'.

The Seville group consolidated its hold on the leadership of the party throughout the early seventies, building links to other groups of young socialists in Catalonia, Asturias and the Basque provinces. This incredibly rapid rise culminated in Gonzalez being elected the party's general secretary in 1974 at the age of thirty-two. The decision came at the party congress in Suresnes, France, with Gonzalez still

using the nom de guerre of 'Isidoro' and travelling incognito, leading a slate of candidates on behalf of the reorganised internal party. To the delight of some of the veterans, and the less enthusiastic



reaction of some of the others, the leadership of PSOE had jumped two generations in one fell swoop. With many of his colleagues still in their late twenties, the new leadership had succeeded an executive some of whose members were octogenarian.

he edifice of fascist Spain was beginning to crumble in the mid seventies, and Franco's death in November 1975 led to an explosion of activity on the part of PSOE. Throughout the reorganisation period, Gonzalez had cultivated his contacts with the democratic socialist community internationally. Leaders of the Socialist International had watched and sometimes assisted in this rebirth at crucial stages.

It was a triumphant scene when Willy Brandt and other Socialist International leaders arrived in Madrid in December the following year to attend PSOE's first legal congress. But legalisation of the party did not come until 1977. The Spanish media drew the conclusion that was intended — here was a dynamic young party with an impressive group of international champions.

Although it was clear that the new PSOE was going to be a significant force in Spanish politics in the democracy, few suspected how quickly and powerfully democratic socialism would assert itself. Many of the pundits going into the first election in 1977 predicted a strong poll for both the communists and the fascists.

In fact, both the extremes of the political spectrum were badly mauled, and PSOE emerged with 29.4 percent of the vote and 118 deputies. Gonzalez was elected as a deputy from Madrid and became the leader of the opposition in the first post-Franco parliament.

But despite the strong showing, this was still an extraordinarily delicate period for both PSOE and Spanish democracy. Regional tensions, the threat of a coup, sectarian divisions, terrorism, and spiralling inflation all contributed to an uneasy period of consolidation. But in the two years between the 1977 and 1979 elections, PSOE achieved the unification of socialists in Catalonia and merged with the Popular Socialist Party (PSP) to become the undisputed leader of the democratic left in Spain. The March 1979 elections were less dramatic, but the party increased its vote to nearly 31 percent. In a dispute concerning the party's strategy and programme, Gonzalez refused to stand for reelection at the May

1979 party congress. But that autumn, after months of intense party negotiations, an extraordinary congress was convened and Gonzalez was reelected leader of a united PSOE.

Felipe Gonzalez continued to be active on the international scene, participating in meetings of the Socialist International, building links with Latin America and northern Europe. In 1978, he was elected vice-president of the Socialist International at its Vancouver congress. In 1980, the Socialist International held its congress in Madrid, with PSOE acting as host. Felipe Gonzalez is currently chairing a working group which has been set up to formulate a new declaration of principles for the Socialist International.

here is a tendency in politics to look with the benefit of hindsight at major shifts in the landscape, and say that 'really, it was all quite inevitable'. The number of political analysts and pundits who predicted Francois Mitterrand's victory, or that of Andreas Papandreou, after the election is testimony to the phenomenon.

Although the victory of PSOE in this election was widely predicted — and with the collapse of the governing Union of the Democratic Centre it did, perhaps, seem inevitable — ten years ago it would have been unthinkable.

The media likes to lay personal blame or credit at the feet of political leaders, and PSOE's victory was really the triumph of hundreds of thousands of party workers and millions of voters, but still, a lot is owed to the charming young labour lawver from Seville.

Gonzalez's organisational zeal was formidable. Chain-smoking cigars and travelling in a battered Renault, he, together with Alfonso Guerra and others in the Seville leadership, travelled throughout the country in secret, building the triangle of strength in Asturias, Andalucia and the Basque country that became the party's foundation. It is reported that he even cut the marriage ceremony at his wedding to Carmen Romero somewhat short in order to dash off to the 1969 Bayonne PSOE executive meeting.

Felipe Gonzalez, the new prime minister of Spain, is the latest in a long line of tough, capable, eloquent leaders of a party which has known one hundred and three years of glory, pain, division and triumph.

PSOE

The party

1879

- Spanish Socialist Workers' Party founded in a small restaurant in Madrid on May 2.
- Founders included Pablo Iglesias,
 Victoriano Calderon, Alejandro Ocina,
 Jaime Vera, and Gonzalez Zubiarre.
- On July 20, the party programme is adopted.
- Founding committee establishes a federal structure with each party autonomous at the local level.

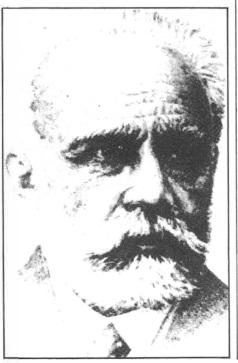
1886

- On March 12, *El Socialista*, the official organ of the new party, appears for the first time. It goes on to become one of the oldest and most influential party organs among democratic socialist parties.

1888

 On August 12, the founding congress of the General Workers' Union (UGT) is held, involving many socialist activists.
 The UGT remains today the socialist trade union centre in Spain.

Pablo Iglesias, co-founder of PSOE and its first member of the Cortes



1903

PSOE's youth organisation is founded.
 Juventudes Socialistas (Socialist Youth) is officially recognised by the party at its 1905 congress.

1910

- The party elects its first member to parliament. Pablo Iglesias, one of the party founders, wins as a candidate for the republican-socialist coalition.
- PSOE grows rapidly throughout the 1920s and early 1930s.

1936

 On February 16, PSOE forms part of the republican government following the election victory of the Frente Popular.
 The Popular Front is a broad coalition of progressive, middle-class and workingclass forces.



1936 — election victory for the Popular Front

 July 17, the army insurrection is launched in Morocco and the civil war begins.

1939

 April 1, Franco declares himself victor in the civil war. Thousands of PSOE activists and supporters of the republic go into exile.

1944

- PSOE is reorganised in exile on two levels, combining both an internal and external party.
- The first congress of the party in exile is held, to launch the party reorganisation.
- PSOE launches the Spanish Junta for Liberation and participates in the republican government in exile. The Spanish Communist Party is excluded.

1947

- The National Alliance of Democratic Forces is set up, including the communists and other supporters of the republic.

 On May 1, a general strike is launched in Vizcaya and Guipuzcoa, which mobilises 50,000 workers before being repressed.

1948

 Fascist repression continues. The entire membership of three executive committees is arrested and joins the hundreds of socialists jailed since the civil war.

1951

— Between April and May strikes are called by PSOE and the UGT in Barcelona, Basque country and Madrid. The policy of opposition to the Franco regime through strikes continues, with industrial action in many parts of Spain between 1953 and 1956.

1953

- Tomas Centeno, general secretary of PSOE, dies at the hands of the torturers in Franco's general security directorate. PSOE loses its leader and UGT its general secretary, since Centeno served in both positions.

1956

 University Socialists Association formed illegally and later merges with Juventudes Socialistas.

1962

— Fourth congress of the European Movement for the Study of the Democratisation of European Institutions is held. Many of the 118 Spanish delegates, including PSOE activists, are harrassed upon their return to Spain.

1965

 An attempt at party reorganisation is launched in Andalucia. Felipe Gonzalez participates in group rebuilding the party and UGT in Andalucia.

1969

- Felipe Gonzalez represents the Andalucian group at the meeting of the party executive in Bayonne, and calls for party reorganisation nationally.

1970

- PSOE's eleventh congress in exile takes place, with the young activists beginning to participate at the national executive level. Party base is rebuilt in Andalucia, Asturias and the Basque country.

1972

- Twelfth PSOE congress in exile splits over the issue of internal reorganisation, but the majority supports the decision to move the party organising base into Spain from exile.



Le Socialiste — PSOE's party publication during the time of exile

1974

 The Socialist International accepts the 'renewed' PSOE as the rightful member of the organisation.

- The thirteenth and final PSOE congress in exile in October elects Felipe Gonzalez as general secretary. Consolidation of the new leadership of the party is complete. Delegates from eleven different regions in Spain attend the congress held in Suresnes, France, and adopt a strategy of 'conquering parcels of freedom' within Spain.

1975

- In November Franco dies and first steps towards democratisation begin. Party enters the post-Franco period with an expanding, but still small, grassroots organisation. It is estimated that at the time of the 1969 congress there were fewer than 150 branches, but growth occurs very rapidly from 1975 on.

1976

- Triumphal congress of PSOE held in Madrid for the first time since the civil war. Although the party is still illegal, international delegates led by Willy Brandt come from all over the world. The media is surprised at the strength, professionalism and youth of the party congress.

1977

 On February 10, PSOE receives its legal status after thirty-eight years of repression. PSOE absorbs the Convergencia Socialista. First Festival of Freedom is staged on May 10 in Madrid.

- Party astounds pundits and wins 29.4 percent of the vote and elects 118 out of

350 delegates to parliament in the first post-Franco election.

1978

PSOE merges with the Popular Socialist Party, achieves unification of socialists in Catalonia, and wins Senate by elections in Asturias and Alicante.

On April 18 more than half a million people join the funeral cortege of Largo Caballero, the PSOE leader in the republican period, whose remains have been returned to Spain.

1979

— In the March 1 general elections, PSOE increases its vote slightly, winning 30.5 percent, but goes on to chalk up large victories at the municipal level on April 3.

- The party elects 21 mayors in provincial capitals, 1,171 mayors in towns and cities, and 11,019 town councillors.

— In May, Felipe Gonzalez and several executive members refuse to seek reelection at the party's twenty-eighth congress, in a dispute over the party constitution and programme. He is reelected in an extraordinary congress in September.

1980

 PSOE makes impressive gains in a series of provincial elections and byelections.

— PSOE hosts the congress of the Socialist International held in Madrid in November. Leaders of the democratic socialist community from around the world celebrate the rebirth of democratic socialism as a major force in Spanish politics.

1981

 PSOE holds twenty-ninth congress in Madrid, having boosted party membership to 175,000, organised in 2,674 branches. UGT approaches position as largest trade union centre in Spain. Colonel Tejero fails in February coup attempt.

1982

PSOE wins by a landslide in one of its traditional bases of support — Andalucia
 in May 23 parliamentary elections.
 Rafael Escuredo, one of the original Seville group, becomes the premier of the new provincial government.

- October 28 - PSOE wins a massive election victory and becomes the first majority socialist government in Spanish history and gains power for the first time in forty-six years. PSOE relegates both the communist and centrist parties to less than 20 members each. The party gains 46.9 percent and 202 seats.

Sweden: return to power

Charles Kassman interviews, for SOCIALIST AFFAIRS, the new general secretary of the Swedish Social Democratic Party, **BO TORESSON**, on the background and outcome of the Swedish elections.

What issues did the Social Democrats and bourgeois parties each campaign on primarily, and to what do you attribute the Social Democratic victory?

Toresson: The main theme of the Social Democratic election campaign was 'peace and employment'. This theme summed up two of social democracy's main tasks for the future. Military armaments are rising and devouring a large portion of the resources which should be devoted to the struggle against mass unemployment and mass poverty. Here, the international labour movement has a common task: that of promoting true disarmament. A particular responsibility devolves upon a nation which has long enjoyed the benefit of living in peace. Our election campaign was an excellent opportunity of appealing to people to support this bid for peace. We call for active measures on behalf of peace.

The main theme of the election campaign also ties in with the economic problems confronting our country. When the bourgeois took over power in 1976 after forty-four years of Social Democratic rule, they inherited a well-run nation. In 1982, the result of four bourgeois governments in six years is rampant inflation, wretched government finances, a steep decline in industrial investment and output, heavily increased unemployment and an emasculated social security system. During the years in which the bourgeois were in power, the great majority of pensioners, young families and workers experienced a deterioration in living standards and widening class inequalities.

It was necessary for the Swedish Social Democratic Party to place economic issues in the forefront of the election campaign. We presented an economic programme in which we advocated a rapid and radical redirection of economic policy with a view to growth and full employment. We did not promise new reforms or higher living standards. The Social Democratic policy was supported by the foremost economists in the

country and by the great union organisations and was accepted by enterprise.

The bourgeois parties were unable to rally round a programme. The only policy they presented was one of continuing retrenchment which would have led to further cuts in social security and rising unemployment. Instead, the bourgeois chose to attack the wage-earner funds proposed by the labour movement, and in doing so they were massively supported by the employers' organisations.

People's experience of six years of bourgeois government, dominated by infighting in the government and inability to take action, coupled with the fact that the bourgeois had no political programme, played a crucial part in bringing about a change of government.

The bourgeois parties made a great deal of the wage-earner funds question in the 1976 and 1979 elections, clearly with a certain amount of success. This year, too, like the Employers' Confederation, they tried to make wage-earner funds a major election issue. Why were they unsuccessful this time?

Toresson: In the 1979 election campaign, wage-earner funds were the sole offensive issue on the bourgeois side. They received massive backing from the employers' organisations. Unlike previous elections, this year's campaign featured proposals concerning principles on which wageearner funds should be constructed. The Social Democrats and the trade union movement were agreed on these proposals. Wage-earner funds were to support the equitable pay policy, contribute risk capital to industry, counteract the concentration of private power and increase the influence exerted by workers in enterprise.

The employer's associations and other business organisations spent millions of kronar on their campaign. The Social Democrats countered the frequently distorted propaganda from their opponenents with objective, correct information about their proposals. Since wage-earner funds

are designed so as to be capable of playing an active part in long-term efforts to renew industry and providing industry with welcome capital for investments, this question became an asset in the debate on Sweden's future.

Why did the Social Democrats lose office in 1976 and fail to regain government in 1979?

Toresson: When the bourgeois won the election in 1976, this was after forty-four years of uninterrupted Social Democratic rule. In many respects, social democracy had come to be associated with established society. Nor were we able, knowing what we did about the great problems ahead of us, to make any big promises about major reforms. The bourgeois generously promised tax reductions, care allowances and new job opportunities. Consequently, the election campaign became a struggle against the bourgeois policy of fair promises and a defensive action to safeguard the society which social democracy had shaped. The election outcome hinged on energy questions — the question as to whether nuclear power should be carefully expanded or phased out. The Social Democrats, in common with enterprise and two of the bourgeois parties, favoured a cautious expansion of nuclear power. We were the sole defenders of this standpoint in an election campaign which came to be predominantly concerned with nuclear power.

The 1979 election also came to centre on nuclear power, even though the issue was to be settled in a referendum later on. This, and the heavy assault by employers and the bourgeois parties on wage-earner funds, made the 1979 election a defensive campaign for the Social Democrats. The backing received by the bourgeois from employers in attacking wage-earner funds during the election campaign crucially influenced the election outcome.

The new government got off to a fast start, with a 16 percent devaluation and a



Olof Palme

number of general and specific measures to distribute, more fairly, the burdens of the global economic crisis which has hit Sweden. What made you act so toughly and rapidly during the very first weeks of office?

Toresson: The new government has taken office at a time when the situation for the country is very serious. The economy has been weakened over a number of years, and the decline has been accentuated now in 1982. We cannot see any light at the end of the tunnel either internationally or at home. The problems now facing the government are due partly to the international economic crisis and partly to the inability of the bourgeois governments to take political action to alleviate the impact of the crisis.

During the few days preceding the assumption of office by the Social Democrats, we had a heavy exodus of capital. Industrial output was growing more than in other comparable slowly countries, employment was deteriorating rapidly. This called for a rapid change of economic course.

One of the first things that had to be done was to establish confidence in the

Swedish krona. This, together with an active investment policy, was aimed at improving the competitive strength of Swedish enterprise, both internationally and in the home market. The devaluation is now being followed up by an austere financial and budgetary policy. The measures which the government has now taken and the measures which are being prepared will leave the nation better equipped to meet the difficulties entailed by the persistent downturn.

The Social Democrats have declared that they are prepared to extend a hand of cooperation to practically all groups in society, not least to the political opposition. How can you cooperate with groups whose interests differ so clearly from those of social democracy?

Toresson: Everybody in society will have to pull together to solve the problems now facing Sweden. Workers will have to contribute towards restraint in pay negotiations, enterprise will have to contribute active efforts to get investments moving, the political parties will have to exercise restraint concerning increases in public spending and contribute towards

restraint in pay negotiations, enterprise will have to contribute active efforts to get investments moving, the political parties will have to exercise restraint concerning increases in public spending and contribute towards an economic policy capable of gaining the respect of other countries. We do not expect anybody to relinquish their values, we are inviting people to talk about ways in which, together, we can extricate Sweden from the economic crisis. Where this is concerned, all contributions are welcome.

For many years now, there has been a consensus regarding the main focus of Swedish foreign policy. Concerning assistance to the Third World too, there has been agreement between the Social Democrats and the middle-of-the-road parties, though not the Conservatives. They have called for heavy cuts in total spending, increases in tied assistance from countries which they felt are becoming totalitarian. What will the line of demarcation between bourgeois and social democrat foreign policy be, particularly on Third World solidarity?

Toresson: The international involvement of Social Democrats has been distinctive and will be continued. The government will aim for broad unity concerning the basic lines of foreign policy. We will pursue an active policy for peace and will work for genuine disarmament. The government will work to reinforce the ability of the United Nations to eliminate threats to peace and to take action against breaches of the peace. We shall honour our development assistance commitments. Rich and poor countries share a common interest in promoting economic development and justice.

After six years in opposition, the Swedish Social Democratic Party was swept back to power in general elections held on 19 September. Led by party chairman Olof Palme (55), the party increased its share of the vote by nearly 3 percent and gained 12 additional seats, obtaining a 166 to 163 majority over the aggregate total of the three non-socialist parties in the 349member parliament. The other 20 seats were won by the Communists.

After forty-four years of almost uninterrupted power, the Swedish Social Democrats went into opposition after the 1976 elections, when the three non-socialist parties obtained an overall majority. Although the non-socialists retained their majority by the narrowest of margins in the 1979 elections, ministers resigned,

	1982 (1979)	1982 (1979)
	seats	percentage
Social Democrats	166 (154)	45.9 (43.2)
Communists	20 (20)	5.5 (5.6)
Conservatives	86 (73)	23.6 (20.3)
Centre Party	56 (64)	15.6 (18.1)
Liberal Party	21 (38)	5.9 (10.6)

the coalition became increas- Centre Party leader Thorbjorn nevertheless ingly unstable and finally Falldin to continue at the head mount, as did the evidence that broke up in May 1981 when of a minority Centre-Liberal Falldin and his ministers had the Conservative (Moderate) administration. The economic no real solutions. leaving problems of the government



HORIZONS

Is Europe heading for a political crisis?

In this paper, delivered at the International's recent conference in Vienna on economic alternatives, BRUNO KREISKY, the Austrian chancellor, recalls the lessons he learnt in his youth and applies them to the present: to prevent a repetition of the depression and war of the 1930s and 40s, the left must strive for more public investment in the North and for a Marshall plan for the South.

he emergence of dictatorships in Central Europe - and specifically in Germany and Austria - during the thirties was undoubtedly a consequence of the major world economic crisis. It is interesting to note in this connection that most of the economists who had to deal with this problem in the United States in 1929 were of the opinion that they had to do with a minor recession. And this so-called minor recession developed into the greatest world economic crisis in the history of capitalism. During this period of crisis there were terrible tensions within the social democratic movements. In Central Europe, and especially in Austria, the pull was essentially in two directions.

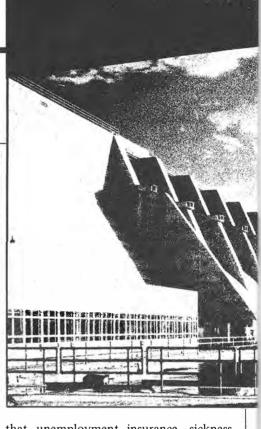
On the one hand were those known as 'revolutionary social democrats'.



Strange as it may sound to modern ears, this at least was the name used for them by Max Adler, a neo-kantian. This group of social democrats, who though reprsented in most countries were particularly strong in Austria, were of the opinion that the social democratic movement had a reformist role to play in the so-called 'pause' between the revolutions, but that once the time for revolution came again, it was to lead it. This group was, as I have said, strongest in Austria, and this necessarily resulted in a great many of them regarding the capitalist crisis from the outset as an inevitable fate against which the workers' movement was unarmed and powerless.

On the other hand there was, within the democratic socialist parties, a very marked leaning to reformism. In his essay What is to be done? Lenin in his time had dismissed the precursors of reformism as economists in the internal social democratic discussion of the Russian party. It is interesting that he chose this description. The reformists were opponents of these revolutionary ideas and deeply convinced that the capitalist order could be so blunted by reforms of social policy as to enable the working classes to achieve a maximum measure of security.

uring the world economic crisis, however, it soon became clear that reformism, too, had come to an impasse, just as the revolutionary social democrats were powerless in the face of crisis. And one result which is very important for an understanding of the situation today was that the world economic crisis so weakened the economies of the capitalist countries as to make them unable any longer to finance social policy. This was compounded by the fact



that unemployment insurance, sickness insurance and all the other forms of provision of the welfare state as it then existed were in a state of penury. Many governments had contented themselves with confining the scope of unemployment benefit more and more until a point was reached where, in Austria, for example, of the at least 500,000 jobless who had previously been receiving benefit only a fraction were still being paid and the remainder were living in poverty.

The crisis thus hit social democracy—that is the democratic socialist parties in Europe—hard, and the movement polarised politically, with some deciding to back the communist parties—and let us not forget that a million people voted for the German Communist Party at the time, while the Czechoslovak party was one of the strongest parties anywhere—and others joining together in the facist parties, which were especially powerful in Central Europe.

With the exception of the Scandinavian social democrats, all the social democratic parties suffered considerable losses and defeats as a result of the crisis. We hardly knew how to react to events and even within the social democratic movement we took part in the famous discussion of whether this was the last crisis of capitalism.

I am convinced that it was not the 'economy's powers of self-recovery', as they are called, which led to the eventual turnaround. In Central Europe it was the massive buildup of arms under Hitler that put an end to the crisis, while in the United States it was the policy of Roosevelt after his predecessors had embraced an unfounded optimism concerning prosperity. Hoover's well known saying that 'prosperity is just around the corner'





Historical lessons for the eighties? — Two responses to the economic crisis of the 1930s: public investment in infrastructure, such as the Tennessee Valley Authority in the US (a New Deal project); or public investment in armaments, as in Hitler's Germany

became a political joke in America and paved the way for the victory of Roosevelt and his ideas.

n 1931, the largest socialist congress ever was held in Vienna. I was a young student at the time and fortunate enough to be allowed to sharpen the pencils of the members of the political commission of the Socialist International and to chase after forgetful delegates with their umbrellas. The most notable souvenir of the bad weather of that time was the umbrella belonging to comrade Filippo Turati! I did all this because it gave me the chance to be present at the meetings of the political commission and in this way I saw such giants of the labour movement of the time as Leon Blum, Otto Bauer, Otto Wels and the great men of the Polish workers' movement, and listened to their discussions.

At that time, after previous discussions within the political commission, Otto Bauer gave a great speech in which he dealt with the world economic and political situation. He expressed the opinon that substantial amounts of capital were lying unused in France and the United States and that it should be possible, by means of action at government level, to raise loans internationally for Germany and Austria which should then be used to develop the infrastructure of Eastern Europe and in so doing to put an end to unemployment and to the crisis in Germany and Austria. This, he said prophetically, would help to impede the facist dictatorships and thus probably also war.

A lot of people did not want to listen to him at the time. In reality Otto Bauer, having analysed the situation for himself, was proposing a kind of Marshall plan for those countries worst affected by the crisis and was calling upon the democratic countries of the world to help. However, his appeal fell on deaf ears. This was the time when the communists joined with the national socialists in organising a referendum against the democratic government under the motto 'make the brown plebiscite a red plebiscite!' This destroyed one of the bulwarks of German democracy and events then took their course. It is a remarkable fact that nobody among the democratic socialists except Otto Bauer recognised the crisis for what it was. And so Germany and then Austria sank into dictatorship. First there was a dictatorship within Austria; then Austria capitulated to the more powerful dictator.

aving, therefore, been bitten once we are justifiably twice shy. Which is why I am one of those politicians who from the very beginning have warned against another crisis in Austria. Since I do tend to be somewhat dogmatic - and sometimes I am rebuked for the tendency in the Austrian parliament - I have time and again warned my friends that the same thing could happen to us all over again. If a social democratic government in Austria has one primary task, it is that of watching so that if the moment of crisis were to come again, we should be to some extent - to some extent at least! prepared to shield Austria from the worst

consequences of the crisis. I thus advocated a policy of containment with respect to the great crisis which did not exist or which was not recognised or which, when it showed its first signs, was regarded as only a minor recession. Exactly the same failure to see what was happening marked the people responsible for such matters in the late 1920s.

If Austria now — and now comes what we are in all modesty rather proud of — is somewhat better placed than a great many other countries, it is because we have not suffered from any illusions about the present economic order. Because we have not been deceived into thinking that economists today have at their disposal a set of instruments capable of preventing any such crisis from developing. We did not put our faith in all the various funds but were convinced that Austria had to work out its own salvation.

The Austrian situation was a relatively favourable one because we had a very undeveloped infrastructure and because, when the crisis or what we thought was the crisis began, we put a massive effort into developing this infrastructure. This includes the railways, which we modernised at a time when they were not held in very high regard, our telecommunications system, which has been extraordinarily successful and has helped an entire industry to become as up-to-date as it is possible to be, and our roads, tunnels, vocational schools — everything in short that can be described as public assets.

This massive investment at a time when the private sector showed little inclination to invest without incentives — which we gave it — proved a great help.

At the same time, however, we encouraged investment by industry and thus turned a comparatively backward country

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into a modern industrialised state whose exports are rising steadily even at a time of crisis and even to more difficult markets. We have, after all, through our foreign policy as a neutral country made it possible to open up new markets, with the result that today we have a balance-of-payments surplus with the oil-producing countries. What has happened here is thus no kind of miracle but the result of continual efforts to protect ourselves from the effects of crisis.

Of course we are worried because the crisis is lasting a great deal longer than most people expected. At the same time, we hope we have been able to avoid the worst. While it is true that we borrowed considerable sums in the past, we still have our triple-A rating and will keep it that way. In the meantime, having borrowed more than most to cope with all the tasks I have listed, we have been caught up and overtaken by all those countries with hundreds of thousands of jobless which are now forced to finance their unemployment by borrowing. So we shall stick to our policies - I can state that quite firmly here.

ow I come to my final point. In 1963 when Kennedy and Khrushchev met in Vienna, I had a discussion with Khrushchev in which I pointed out to him that so many people were leaving the German Democratic Republic — at the time this was still possible because Berlin was still open — and that that showed how unsatisfactory the conditions in communist Germany were. Moreover, I pointed out, the other communist countries that were our neighbours had suffered continually from the flight of their best people.

At the time Khrushchev said to me: We watch this happening quite calmly. One day there will be the crisis of capitalism and every country will have its unemployment - every country except the communist ones. And then all these people will come back again and be glad to find work with us.' It was one of the theoretical foundations of Soviet policy that the crisis of capitalism was inevitable, and it proved true. But people did not start moving back into the communist countries because the communist countries are in a permanent state of crisis because of their own economic structure and, moreover, because they are now suffering particularly because of the crisis in the industrialised West. There is, therefore, no alternative choice available. This



1930s: not, as predicted by some at the time, the last crisis of capitalism

is one of the reasons why the communist parties of Western Europe are so unsuccessful.

In the meantime the conservative parties, by taking up very populistic calls, have sought to absorb rightward trends and to some extent at least they have been successful. Today, too, we have crises developing in the communist countries, as we know only too well because we live near them. While their problems are very different from those of the industrialised countries, they are equally difficult to solve.

ere you to ask me, given this conflict, what policy we should pursue, my answer would be as follows. A week ago here in Vienna we celebrated the 35th anniversary of the Marshall plan. And I really mean celebrated because the Marshall plan proved a veritable blessing for Austria and for the economy of Europe. Even today, at least 1.5 billion schillings used for investment derives ultimately from Marshall plan funds and constitutes valuable assistance for the Austrian government in its economic policy. Thirty-five years ago the United States was prepared to make such a magnificent gesture of international solidarity. Whatever its motive, it was made and represented a substantial contribution to the economic recovery of Europe after the war.

Are we really prepared to use the gigantic resources of modern industrialised countries and their production capacity, are we really prepared to implement a policy whereby millions of unemployed are reintegrated in the production process? If we are, we must be prepared for a large-scale international redistribution of wealth. If so, the modern industrialised countries must be ready to transfer a part of their resources to the countries of the Third World. How this is done is the least of our problems. The cost of doing so is something we

today lose without thinking in other contexts. We destroy substantial assets during the crisis. Every large concern that goes bankrupt becomes a valueless pile of junk from one day to another with little use, if any. We are witnessing the death of whole industries throughout the world; enormous sums of money are being thrown away.

I am firmly convinced that with all the important things we have to do at national level, the most important will still be whether we have the political strength to perform an act of international solidarity not unlike that which once gave rise to the Marshall plan. But to do this will require political strength and I do not know whether we possess it. I only say one thing. If we as democratic socialists cannot manage to cope with the problems, and among them the human problems, which result from the crisis, then we are faced with a true political catastrophe.

I should like to finish by considering the crisis from a human angle. As one who learnt his lessons from the Austrian marxists, I still retain a few of them even today. This is only possible if one is prepared to adapt what one has learnt and revise it in the light of the present. 'No one', Otto Bauer said once, 'would think of learning physics from a book written in the 1890s. Neither do we learn our politics from books written at that time. But they do serve us as a basis.'

The well known thesis of the working class as the mainstay of the social democratic movement is a truth requiring some modification. That is because the period of severe recession has shown us that this united working class does not exist. Friends from many countries will probably agree with me in this. This united working class on which one can, so to speak, build the church of the future is not to be found in a crisis because of an interesting psychological process that occurs between those people - whether white-collar or blue-collar workers - who have a job and those who do not. If the process continues for some time a split in personality takes place within the working class which the political parties and the trade unions cannot easily overcome. A quite different political consciousness develops, such as we had to suffer under in the thirties. Which is why it is a sine qua non for the existence of social democracy that we see the problem not just as an economic one but as one that is eminently political.

The experience of government

LIONEL JOSPIN, first secretary of the French Socialist Party, reflects on eighteen months of socialist government and reforms in France, and answers critics who see major changes of policy since May 1981. This article is based on an interview granted to a group of journalists.

hen I was a student in the 1950s, we were told that the French economy suffered from two constant problems, particularly when economic stimulus was being attempted — a rise in prices and foreign debt. Now I believe the price and income freeze was necessary to check inflation. Inflation is a French disease, one we have been living with since the post-war period.

Now, in 1982, after twenty-three years of Gaullism followed by — what shall I call it? — 'Giscardism', when we introduce a reflationary policy, we are still confronted by these same two problems, which we were taught were crucial problems back in the 1950s: inflation and foreign debt.

What is the purpose of the price | maintaining surtax, in exempting earners

freeze? To show the French people that the government is determined to bring down the rate of inflation. To tell them that we can have a lower rate of inflation, below 10 percent. That is the purpose of the freeze. The intention is economic, but it is also intended to give all those involved in economic life a psychological jolt. It will not be a freeze that will last for years; it is a solution which the Barre government also adopted. The price freeze was necessary to concentrate our economic and social policy. And on prices, the results we are achieving are good.

here are also a number of measures in the budget aimed at fair taxation. In creating a 65 percent tax bracket, in maintaining surtax, in exempting earners of the minimum guaranteed wage and a whole range of wage earners around the minimum wage, we are achieving fair taxation, and therefore social justice. Last year we introduced a wealth tax, so we have made some progress. I think we are currently in the process of convincing ourselves that this tax reform will, in fact, have to be gradual.

I think, too, that this movement of social justice and reform is being pursued at other levels. Retirement at 60 will become a reality in 1983. Negotiations on a reduction in working hours will be pursued - on a contractual basis, it is true, but they will, nevertheless, be pursued. Our aim is not to slow down these processes. On the contrary, it is our hope to speed them up, provided that employers and unions accept them. We hope that there will be fewer solidarity contracts signed for retirement or early retirement only, and perhaps more for actual job creation. The laws on workers' rights will be put before the National Assembly once again during the course of the coming session. So work in this area is continuing.

It is true that we have modified our economic and social policy, though I do not think it is a new policy. It is still the policy of the left, conducted by the left, directed by the Socialists, and supported by a majority. People claim either that we are persisting obstinately - and the criticisms here are somewhat contradictory or that we have launched ourselves into a different policy, turning our backs on the one we originally wanted. But just consider this example: when Barre succeeded Chirac, there was definitely a change of policy. No one then thought there had been a move from a policy of the right to a policy of the left! It was a policy of the right, conducted by the right, with the changes of direction



harles Kassman

What we are seeing now is modification and change of direction on certain points, but it remains a true policy of the left.

Why the modification? I will explain quite frankly. We knew we were faced with the risk of a highly dangerous economic skid in price rises. We have not yet come out of that skid - not least because of the difficulties in foreign trade, structural difficulties which we inherited. What we will say is that we will not allow ourselves to be carried and pushed along that path. We are able to speak to the people, speak to the workers, the civil servants, the teachers, the labourers, and to say: 'it is true, things are hard, progress is slow; but look at what we have done so far, turn round and look back, just see the reforms that have been made'.

eople say, of course, that purchasing power will be restricted, some even claim that it will be reduced. But look at what has been done so far, look at working hours, look at the new rights, look at the social provisions for the minimum wage earner, benefits for the aged and for large families. It is on this basis, therefore, that we are pursuing our policy. We are in an economic battle. If



'We have already made many sacrifices'

we talk in these terms, if we show that we are treating people equally, then I think we shall be understood. And I do not believe the discussion of these problems is purely economic: it is also a political reality. When a profound change, such as that of 10 May, occurs, it affects not only the economic sphere and economic measures. It enters into people's lives, into their minds, their enthusiasm and awareness, and it also has to undergo other changes — psychological, political,

social. The left cannot come to power without implementing the fundamental elements of its programme — nationalisation, decentralisation, social justice.

At present, we are fighting against speculation, we are bringing down prices, we have succeeded in checking unemployment, which virtually no other developed country is managing to do at the present time

We are pursuing a policy that favours the sectors of the future, no one can deny

Socialist reforms in France: principal tax measures implemented since May 1981

Tax justice

Relief for the individual tax payer

Income tax: total exemption for minimum wage earners; Housing tax: exemption for the over 60s and non-tax-payer widows/

Housing tax: exemption for the over 60s and non-tax-payer widows widowers;

Death duty: lower limit raised from 175,000 to 250,000 francs; VAT: lower rate for foodstuffs reduced from 7 to 5.5 percent; Television licence: exemption for non-tax-paying over 60s.

Ceiling limits and abolition of benefits

Income tax: reduction in tax relief deriving from family allowance for the most wealthy (ceiling limit);

Corporation tax: standardisation of insurance system, taxation of certain overheads (restaurant bills etc.);

Death duty: standardisation of gift-share system, i.e. abolition of relief for the most wealthy, obtained by passing their wealth onto their heirs in the form of gifts, during their lifetime:

their heirs in the form of gifts, during their lifetime; Abolition of the lump sum VAT system for large-scale farmers.

Taxation on high level resources

Introduction of wealth tax;

Income tax: introduction of 65 percent bracket; increase on highest salary brackets;

Corporation tax: collection from banks, extraordinary collection (oil companies, temporary work companies);

VAT and excise duty: increase in rates for four-star hotels, pearl and precious stone transactions: tax on large yachts doubled.

Economic and financial efficiency

Corporation tax

Investment incentive (increase in tax allowance for investment); Extension of above allowance to agriculture;

Tax relief for new companies and young farmers.

Incentives for long-term and productive savings

Action taken: abolition of 'Monory' allowance, replacement by fairer tax credit system; abolition of existing tax credit and

introduction of new system:

Bonds: heavier conditions for short-term financial deposits; Capital gains: radical simplification of relevant legislation.

VAT

Average rate increased by 1 percent.

Trade income tax

Relief for companies undertaking investment and maintaining a large workforce; introduction of equalisation system.

Income tax

Higher allowances for energy-saving measures;

Allowance equivalent to national minimum guaranteed wage, for tradesman's spouse's earnings;
Super-simplified accounting system for small businessmen;

Abolition of entry requirements for membership of management centres:

State payment of accounting costs for small businessmen making a particular effort to submit correct tax returns.

Anti-evasion measures

Administrative measures

5,000 new recruits;

Introduction of national and international audit board; Increase in number of anti-evasion teams in large metropolitan

Redirection of efforts towards large-scale tax and excise evasion.

Legislative/statutory measures

Prison penalties for cases of evasion exceeding 1 million francs; Abolition of anonymity in gold transactions;

Provisions against the use of tax havens;

Abolition of anonymity in company shareholdings (shares to be registered);

Compulsory billing or returns for: insurance contracts over 100,000 francs;

Arrangements for auditing computerised accounts; Sundry measures designed at improving collection.

L'Unité

that: research, investment, vocational training, capital investment in public ventures . . . We are directing our efforts towards the future. That is what our policy is about; it is by no means a question of emptying the coffers.

As for the trade deficit, we shall see what it is in 1982. It is quite possible that it will disappoint those who, like Giscard d'Estaing, alleged, incorrectly quoting Francois Mitterrand's words, that it would be 100 billion francs.

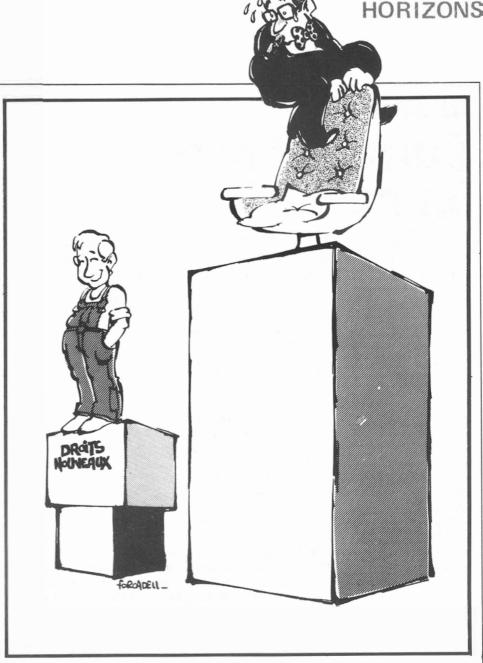
But we have to look at the penetration of foreign products into the French market in the past. This increased from 27 percent in 1974 to 37 percent in 1981. We have to look at the savings-rate of businesses, their financing and savings capacity, which was 13 percent in 1972 and only 7 percent in 1981.

honestly believe that when we came to power we had not fully appreciated the extent to which, for example, France's industrial machine had become outdated, the extent to which it had deteriorated. We must initiate discussions with the various sectors and branches to see what the situation really is. With respect to the public sector, for example, we have had to discover gradually the circumstances of those five private firms that have been nationalised.

Even so, we have not imposed crushing burdens on corporations in France. If we add up the rate of taxation and social-security contributions in France, we know these to be at a level comparable to those of the other developed countries. The problem rests more with the wage structure in French companies. An extremely competent study has shown that workers in France have tended to be paid less than elsewhere, and that executives have tended to be paid more. These are realities that also affect the life of those companies.

As to the strength of the franc, I do not believe there is any 'plot' against the French franc. Let us look at what is involved here. For one, a rate of inflation which is even higher than that of our neighbours, as it was previously. I think we are now going to check this inflation. Unfortunately there is the foreign deficit, whose correction will require an urgent and major voluntary policy.

There is also a lack of confidence in certain financial quarters. That is because, unlike the workers, the people of finance speculate in currencies. If, in the various countries where the workers can state



'New rights'

what they think of a policy, it were up to the workers, I do not believe we would see speculation against the pound and the dollar. But unfortunately, they are not the people who carry currencies; it is the financial circles which do, and they do not yet fully trust our policy. Finally, I believe that the somewhat dangerous international political situation at the present time favours the dollar anyway, and this overrides everything else.

Discussing the international economic situation, Lionel Jospin said:

Admittedly there is a problem in Federal Germany. But that only serves to remind us that problems exist elsewhere, that the economic crisis exists elsewhere. It reminds us, too, that there is a left and a right outside France. People sometimes seem to be saying that only the left in France is running the economy in an

absurd fashion. But the same struggle is going on elsewhere: there are forces of the left in other European countries, and conservative forces fighting them. As far as the German elections are concerned, if our Social Democrat friends call on us for assistance, we will do what we can to help them win.

But there are rising socialist forces in Europe – in France, Greece and Spain.

Regarding the Spanish Socialist Workers' Party's (PSOE) position on NATO, Jospin said:

This is essentially a matter for the Spanish people to decide, or the party elected by them. The PSOE will do what it thinks best. An attempt has been made to force Spain's decision; no decision can be imposed on a people, and no decision can be imposed on the majority political party.

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El Salvador Land reform 'in coma'

In SOCIALIST AFFAIRS 5/82 Rita Freedman of Social Democrats USA praised the work of the American Institute for Free Labor Development (AIFLD) in El Salvador. KARL-LUDOLF HUEBENER disagrees.

can understand why Rita Freedman, the executive director of Social Democrats USA, was so angry about my article on El Salvador. She seems to be closer to the ex-Duarte military junta than to our own comrades of the National Revolutionary Movement (MNR), who are members of the Socialist International. However, if she is going to criticise me, she should at least quote me correctly. I did not write that land reform did not threaten oligarchy. I wrote: 'On paper the reform seems profound and progressive. Had a land reform really been put into practice it would have challenged the privileges of the oligarchy'. This statement referred to the second phase of the land reform, which included the expropriation of about 90 percent of the coffee plantations – the core of the properties owned by the oligarchy. But, as is well known, the implementation of this phase has been 'postponed for about ten years'.

To quote a joint analysis by the Revolutionary Democratic Front and the Farabundo Marti Liberation Front (FDR-FMLN) of June 1982:

'As a matter of fact, the Reagan administration supported the suspensions of a crucial phase of the agrarian reform in order to prevent contradictions between the State Department's strategy and that of the Salvadorean oligarchy'. And in May the Washington Post reported: 'If major parts of the reform programme were not exactly dead when the new government took over, they were in coma, with the second and potentially most extensive phase of the reforms announced in 1980 "indefinitely deferred" since it was first mentioned'.

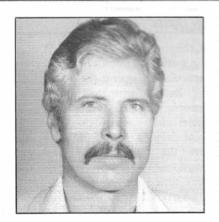
Moreover, it is not surprising that many members of the oligarchy are to be found in Miami today, because in times of war and unrest this class is usually the first to flee the country, even if they have not been expropriated. The relatively few who have been expropriated today finance the death squads and support a

fascist such as d'Aubuisson in his efforts to eradicate completely the little that has been implemented in this 'disastrous' land reform. As the FDR-FMLN analysis further states:

'The reforms became almost defunct while the Christian Democrats were in power. This fact must be underscored because there are efforts to create the false impression that the Christian Democrats were implementing the reforms and that the Constituent Assembly has suspended them'.

s far as the American Institute for Free Labor Development (AIFLD) is concerned, Philip Agee, the ex-agent of the CIA for covert actions in several countries in Latin America and the author of the world best seller *Inside the Company - CIA Diary*, gives exhaustive proof that this organisation has been

About the author



Karl-Ludolf Huebener is editor-inchief of the political magazine *Nueva Sociedad*, published in Caracas. From 1971 to 1976 he was a member of the editorial staff of the theoretical magazine of the Social Democratic Party of Germany, *Neue Gesellschaft*.

used by the CIA in several countries. CIA agents - either with or without the knowledge of the US trade union federation AFL-CIO, it is hard to say - have been collaborators and even representatives. In El Salvador the AIFLD played an important role in the founding of the peasants' union called the Salvadorean Communal Union (UCS), whose general secretary, Rodolfo Viera, was killed along with the AIFLD land reform advisers Mike Hammer and Mark Pearlman, For the oligarchy and the terrorist death squads, who are not willing to accept even the slightest change, even the architects of a 'disastrous' land reform are dangerous. This also holds true for the right-wing Duarte party, whose followers are now being killed in masses.

However, it seems strange to me that the government and the people in the United States did not make such an issue about these murders as they did in the case of the four nuns also killed in El Salvador. A curious detail: Constantine Menges, formerly with the Washington Hudson Institute and today chief of the CIA for Latin America, proposed to send not only Roy Prosterman (the organiser of the ill famed Operation Phoenix in Vietnam) but also Michael Hammer to the Socialist International congress in Madrid in 1980 to convince the members of the achievements of the land reform in El Salvador.

It also seems to me quite evident that the Social Democrats USA were on the side of the junta during the elections. In a report for the Free Trade Union News, published by AFL-CIO's department for international affairs, Social Democrat Eugenia Kemble claims in her jubilant article on the elections 'a total rejection of the guerillas' and denounces 'that the charge of the Socialist International that the "so-called elections . . . provided no solution to the terrible ravages of the civil war" betray a total lack of interest in the popular will'. Kemble continues: 'Those . . . who supported the elections before accepting the blackmail of being brought to the negotiating table at the point of a gun were right about what the Salvadorean people wanted'. She ignores that the FDR-FMLN in a peace proposal to the General Assembly of the UN stated: 'Our Fronts consider elections a valid and necessary instrument of expression of the people's will wherever conditions and atmosphere exist that allow the people freely to express their will'. Negotiations proposed by the opposition and refused

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by the junta could have created these conditions.

In a report Lord Chitnis, an observer at the elections for the Parliamentary Human Rights Group of Britain, compared the case of Zimbabwe — where he also was an observer — to that of El Salvador. There also the first election was incorrectly interpreted as a defeat for the national liberation movement when the 'moderate' Bishop Muzorewa won as the liberation movements were not allowed to participate.

Ten months later, under peaceful conditions, Robert Mugabe received 57 percent of the vote. In the case of Zimbabwe, Bayard Rustin, chairman of the Social Democrats USA, and Carl Gershman, vice-chairman, both gave their support to the Muzorewa internal settlement.

In another venture in Africa, the Social Democrats USA co-sponsored a political function at Freedom House. Freedom House in its 'Map of Freedom' (1981) describes such dictatorships and military juntas as in Chile, Taiwan, El Salvador, Republic of Korea, Indonesia and Guatemala as 'partly free'. Jonas Savimbi, leader of the Angolan UNITA, backed by the CIA and South Africa, spoke at Freedom House. Carl Gershman praised him enthusiastically 'one of the most impressive political figures I have ever met'.

est there still remain doubts about the proximity of the leading members of the Social Democrats USA to the Reagan administration, an advertisement of the Committee for a Free World published in the New York Times of 6 April 1981 presents conclusive evidence: 'It is the government of El Salvador that today represents progressive change . . . the United States has a vital stake not only in holding the line against Soviet expansionism and the totalitarian horrors that follow in its train. We applaud the determination of the United States government to assist the government of El Salvador, which is working against armed opposition, to build a more stable and equitable society and thereby add to the sum of freedom in the world'. This is signed by Rustin, Freedman, Penn Kemble and among others also by Midge Decter, executive director of the committee and a member of Social Democrats USA.

In an article for the Magazine of the American Enterprise Institute Decter

praises Ronald Reagan:

The United States needs to become once again the most powerful country on the earth. There is a fear in society today of the general permissiveness that liberalism has spawned. All Reagan has to do is give the people a sense that there is some return to the kind of system that we once had — I sense, I smell — that there is a lot of good cheer around. It is that good cheer that is going to give Reagan a lot of room to manoeuvre'.

Penn Kemble, a leading member of the Social Democrats' national committee, was a research fellow at the conservative American Enterprise Institute. The institute, together with leading rightist figures of the international christian democrat movement have tried to develop a strategy for Latin America.

Many friends of Social Democrats USA took part in the Reagan campaign and some even entered the government as, for example, Jeanne Kirkpatrick, Walter Laquer, Paul Nitze, Eugene Rostow, Roy Godson and Michael Leeden. The latter became a member of Haig's staff and is responsible for the Socialist International. The UN Ambassador Jeanne Kirkpatrick made Carl Gershman her deputy. She said: 'The president has said he wants to staff the government with those who share his philosophy. What I've tried to do is add

on people who share the orientation of this administration'. And Carl Gershman does. He proves it in an article he contributed to *Commentary*, the conservative magazine, that along with *The Alternative* and the *Wall Street Journal* serves as a platform for leading Social Democrats. In this article he violently attacks the 'three bold "offensives" of Willy Brandt at the 1976 Geneva congress:

- to put an end to the arms race (Gershman: 'to give serious considerations to Ponomarev's proposals for Socialist-Communist cooperation');

 for a new relationship between North and South ('unqualified support for various "progressive" forces in the Third World');

— a firm stand on human rights ('Brandt's human rights offensive fell a victim to East-West political considerations, as well as to those of a North-South nature'). The CIA's Menges quotes Gershman in an article in which he labels the four enemies of the USA in Latin America as Mexico, Libya, Cuba and the Socialist International.

The conclusion to be drawn from these facts is that the Social Democrats USA disagree with increasing hostility with the Socialist International on all the main issues and problems. The question then arises: why are they still members of this terrible organisation?

Land reform in El Salvador: an urgent necessity in a country where 0.5 percent of the population owns 38 percent of the arable land



Mike Goldwater / Network



SOCIALIST NOTEBOOK

BOLIVIA

Siles Zuazo becomes president

The leader of the moderate left Democratic Popular Unity (UDP), Hernan Siles Zuazo, was elected president of Bolivia on 10 October, by the same congress which had been dissolved by the military soon after the June 1980 elections. The return to civilian rule had been announced by the armed forces on 17 September, amid an economic and social crisis which the government of General Guido Vildoso had no hope of solving.

In the June 1980 presidential election Siles Zuazo had easily outdistanced the other twelve contenders, although as in 1979 he failed to secure the overall majority necessary for outright victory. It therefore fell to the newly elected congress to choose between the three leading contenders; but before it could meet the armed forces seized power on 17 July 1980.

President Siles Zuazo and his UDP coalition enjoy broad progressive support, notably from the historic wing of the National Revolutionary Movement (MNR-H) led by Victor Paz Estenssoro. Nevertheless, his new administration faces daunting economic, social and political tasks accumulated during two years of military rule. Moreover, although the new president has courageously



Democracy returns to **Bolivia**



replaced the entire military high command, it remains to be seen whether the Bolivian military's taste for political intervention has been eradica-

EAST-WEST RELATIONS

Brandt at German-Soviet conference

Speaking at a German-Soviet conference in Bonn on 19 October, Willy Brandt said that despite its recent transition to opposition status the Social Democratic Party of Germany (SPD) wished to do everything possible to develop the best possible relations between the Federal Republic and the Soviet Union. The SPD chairman and Socialist International president was addressing the first such German-Soviet conference, organised by the Friedrich Ebert Foundation following an initiative by Brandt during his visit to Moscow in mid-1981. In the view of the change of government in Bonn a question mark had arisen over whether to go ahead with the conference; it was eventually decided to proceed under a new framework, on the grounds that fruitful relations between the two countries were of such crucial importance that the fostering of them should not be dependent on changes in the leadership of either state.

The high-ranking Soviet delegation at the conference included representatives of the central committee secretariat of the Communist Party of the Soviet Union as well as top military officials. On the German side SPD politicians such as Egon Bahr, Horst Ehmke and Hans Apel were present, as were foreign and defence ministry officials and military representatives. The convening of the gathering followed the holding of three similar German-US earlier conferences.

In his address Brandt welcomed the declared desire of the new federal government to improve East-West relations and assured the Soviet visitors of the SPD's determination 'to cherish the fruits of detente like life itself'. Every contribution to the stabilisation of East-West relations, each act consolidating detente, every effort made to prevent a return to the cold war and to end the arms race would, he said, receive total support from German Social Democrats. The SPD, he added, would oppose anyone who tried to prevent the two sides continuing useful economic and technological cooperation, such as the building of the Soviet-Europe gas pipe-

On the Geneva nuclear arms negotiations, the SPD chairman invited those responsible to abjure unilateral threats and to ensure that a situation arose in which medium-range missiles in Europe were superfluous. He described the opening positions of the United States and the Soviet Union as 'not really susceptible to agreement' and warned that if both sides persisted in their attitudes the negotiations would be fruitless, with disastrous consequences for East-West relations.



Alva Myrdal

SWEDEN

Alva Myrdal awarded Nobel peace prize

Joint winners of the 1982 Nobel peace prize were Alva Myrdal (80), the Swedish disarmament expert and longtime campaigner for arms reductions, and Alfonso Garcia Robles (71), the head of the Mexican disarmament delegation at the United Nations and principal architect of the 1967 agreement establishing Latin America as a nuclear-free zone. In its citation, the Norwegian Nobel committee which awards the peace prize referred in particular to the efforts of both winners in the fields of peace and disarmament within the UN framework.

A leading figure in the Swedish Social Democratic Party over a long period, Alva Myrdal was for many years head of the Swedish disarmament delegation to the United Nations and held the disarmament portfolio in successive Social Democratic governments up to 1973. According to the Norwegian committee, her role in the Geneva disarmament negotiations and in other bodies, as well as her literary activities, have helped to increase general understanding

and awareness of disarmament auestions.

Mvdral's Alva Gunnar, the celebrated economist and development expert, was joint winner of the 1974 Nobel prize for economic science.

SOUTH AFRICA

'Release Nelson Mandela'

A campaign to secure the release of Nelson Mandela was launched in the United Kingdom in October under the auspices of the Anti-Apartheid

Nelson Mandela, speaking at the All-In African conference in 1961



SOCIALIST NOTEBOOK PEOPLE

Movement and supported by the United Nations, the British Trades Union Congress (TUC) and the Socialist International. The South African nationalist leader was sentenced to life imprisonment in 1964 and the South African government has resisted all efforts to have him released. The ceremony launching the campaign took place at TUC headquarters and included the TUC general secretary, Len Murray, the chairman of the Anti-Apartheid Movement, Robert Hughes, Ethel de Keyser, director of the British Defence and Aid Fund, and Bernt Carlsson, general secretary of the Socialist International

WORLD ECONOMY

Healey warns of world banking collapse

'Many countries in the Third World face the prospect of economic collapse, political anarchy and mass starvation', said the deputy leader of the British Labour Party, Denis Healey, in an address to the Italian chamber of commerce on 3 September. Warning that the western banking system was dangerously overstretched and could collapse within months, the former British chancellor of the exchequer said that prompt action by the International Monetary Fund (IMF) could be last chance 'to save the world from a catastrophe even greater than the slump of the 1930s'.

Western governments, said Healey, had deliberately purdeflationary policies, ignoring their consequences for a banking system already overstretched from financing oilrelated deficits. Worldwide



Denis Healey, deputy leader of the British Labour Party

APPOINTMENT

CANADA

Gerry Caplan

Following the resignation of Mary Ellen McQuay, the New Democratic Party of Canada has named a new federal secretary for the party. The party's Federal Council has appointed Gerry Caplan, a long-time party activist.

Caplan, 44, had previusly served as executive assistant to a former leader of the Ontario Party, New Democratic Stephen Lewis, Most recently, Caplan had worked in the field of health advocacy in Toronto, and had previously been a senior officer in CUSO - one allies'.

of Canada's largest non-government development agencies. Caplan has a long history in academe as well, having studied and taught in Canada, the United Kingdom and Zimbabwe. He brings twenty-five years' experience of campaign management and strategy to the job.

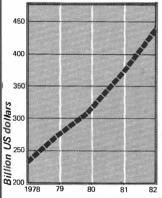
On being appointed, Caplan said: 'The party must continue to forge policies which are both tough and realistic, in the face of our economic difficulties, but policies which are sensitive to the needs of our national constituency and

SOCIALIST NOTEBOOK PEOPLE

unemployment, record bankruptcies and plummeting commodity prices demonstrated that recession had become prolonged slump. Countries such has Mexico, Poland and Argentina now found it impossible even to service their existing debts, let alone raise the new capital needed for their development, creating an immediate risk of a major default which would trigger a chain reaction throughout the international financial system.

The mounting debts crisis: external debts of Third World countries, 1979-82, excluding oil-exporting countries

Source: IMF



Healey criticised Western governments for continuing to believe that the problem would go away if they ignored it. Urgent steps required included a doubling at least of IMF resources to take the strain off the private banks and a massive increase in World development aid to poorer countries. At the same time the Bank for International Settlements should organise large-scale intervention currency markets to control the 'mad swings' in exchange

These measures were needed 'simply to avert an immediate catastrophe', said Healey. In the longer term such international action would only be a palliative 'unless the western governments themselves now give priority to growth', because without economic growth in the developed countries the Third World 'is condemned to beggary'.

OBITUARIES

Otto Kersten

Otto Kersten, general secretary of the International Confederation of Free Trade Unions (ICFTU) for the past decade, died in Brussels on 17 November at the age of 53.

Educated at the universities of Rostock and Berlin, Otto Kersten joined the Social Democratic Party of Germany in 1946 and worked in an East Berlin bank in the early 1950s. Imprisoned for his political views in 1953-56, he moved to the Federal Republic after his release and in 1960 joined the EEC trade union secretariat. In 1965 he became director of the international department of the German trade union federation (DGB) and in 1972 was elected general secretary of the ICFTU.

Otto Kersten was a close friend of the Socialist International, believing that the traditional links between unions and democratic socialist parties at national level should be reflected in active cooperation between the respective international organisations. A regular attender of Socialist International meetings, he made many friends around the world, who will all mourn his early death.

Pierre Mendes France

Pierre Mendes France, the eminent French Radical Socialist and prime minister in 1954-55, died in Paris on 18 October at the age of 75. His passing was mourned by more than one generation in France and elsewhere for whom his political achievements and personal qualities had made him a legendary figure in his own lifetime.

Born into a prosperous Jewish business family in 1907, Mendes France quickly demonstrated the intellectual brilliance that enabled him to register a series of 'youngest ever' records in the pre-war period. The youngest pupil in his lycee to take the baccalaureat, he then became, at 19, the youngest qualified lawyer in France and at 25 the youngest deputy in the National Assembly - for the Radical Socialist Party, of which he had been an active member since his teens. He continued the record breaking when his appointment as a treasury undersecretary in the second Leon Blum government in March 1938 made him, at the age of 31, the Third Republic's all-time youngest minister.

An air force officer during the early part of the second





Pierre Mendes France, prime minister of France 1954-1955

world war, Mendes France joined De Gaulle's Free French movement in Morocco in 1942 and later came to London. After the liberation De Gaulle appointed him minister of economic affairs in the first provisional government (1944-45), but he resigned when his drastic anti-inflationary measures were rejected. He subsequently became a pivotal figure in the politics of the Fourth Republic and eventually succeeded to the premiership in June 1954, shortly after the traumatic French defeat at Dien Bien Phu in Vietnam. The greatest achievement of his premiership was undoubtedly French disengagement from Indochina, which itself laid the basis for the later withdrawal from North Africa. A strong supporter of European integration, he also signed in October 1954 the Paris agreements under which Federal Germany was brought into the Western fold as an equal partner.

Having served in the 1956-57 Mollet government, Mendes France found himself relegated to the wings of the political stage with the advent of De Gaulle's Fifth Republic in 1958. He was also losing his political base in the Radical Party and at the end of 1958 led a left-wing breakaway group which eventually

coalesced with other factions to form the Unified Socialist Party (PSU) in 1960. But Mendes France refused to take any office in the PSU, whose steady move to the left in the 1960s led it to take a prominent role in the May 1968 student revolt, and in July 1968 he ended his association with the party.

In 1967 Mendes France had returned to the National Assembly (after an absence of nine years), but his efforts to build a democratic opposition front to gaullism met with little success, partly because he had no enthusiasm for the Federation of the Left alliance then being pursued by the Socialists and Communists. His prestige nevertheless remained immense, particularly among the younger generation of leftists, and at the height of the May 1968 events he was named as prospective prime minister by François Mitterrand when the latter declared his willingness to take over the presidency from De Gaulle.

The following year, after De Gaulle's sudden resignation, Mendes France associated himself with the presidential bid by Gaston Defferre of the Socialist Party; but his hopes of returning to the premiership were dashed when Defferre could only muster 5 percent of the first-round votes. This debacle marked the effective end of Mendes France's political career, although his personal prestige remained undimmed in his later years.

The reverence in which Mendes France was held by the democratic left in France was perhaps best demonstrated in May 1981, when he was a special guest at the inauguration of Francois Mitterrand as president of France. In a personal greeting to the former prime minister at the Elysee palace, Mitterrand said: 'It is thanks to you that I am here today'.

Philip Noel-Baker

Former British Labour minister and veteran peace campaigner Philip Noel-Baker died at his London home on 8 October at the age of 92. Awarded the Nobel peace prize in 1959 for his tireless efforts in the cause of world disarmament, Noel-Baker became in his later years a staunch friend of the Socialist International, which he saw as an appropriate forum for the views that he held dear.

An Olympic medal winner in 1920 and a university professor in the early 1930s, Noel-Baker entered the British House of Commons in 1936 and became a close associate of the then Labour leader. Clement Attlee. After Labour's great 1945 victory he held various portfolios in the defence and foreign affairs field in the 1945-51 government. He was awarded the



Nobel peace prize in recognition of his efforts to bring about genuine international disarmament, the cause to which he principally devoted his life.

Francisco Ramos da Costa

Francisco Ramos da Costa, one of the founding members of the Portuguese Socialist Party and one of the most active members of the anti-fascist resistance in Portugal, died on 23 September at the age of 68.

Born of a humble family of farmers, he began working at the age of 11 as a messenger boy in one of Lisbon's hotels; he ended up a director of Lisbon's Avenida Palace hotel. At the age of 16 he joined the trade union for hotel and catering workers, and while studying by night managed to obtain a degree in finance at Lisbon's technical university at the age of 27.



Already as a student worker he was arrested for his opposition and political activity against the Salazar regime. From 1961 he lived in exile for thirteen years, during which period he made numerous friends within the international democratic socialist movement. In 1964 he founded, together with Mario Soares and Tito de Morais, the Portuguese Socialist Action (ASP) and in 1973 was one of the co-founders of the Socialist Party. After the 1974 democratic revolution Ramos da Costa became Portugal's first ambassador to Yugoslavia and from 1977 ambassador to Denmark.

Ramos da Costa left many friends not only in Portugal but throughout the world, and especially within the Socialist International. He will be remembered as one of the major driving forces that took Portugal's Socialists into the International.



BRITAIN

Labour's critical Blackpool conference

The British Labour Party held its 81st annual conference in Blackpool on 27 September-1 October, at what was widely regarded as a critical moment in the party's history. Major decisions taken included one to set up a register of approved non-affiliated organisations. while elections to the party's national executive committee (NEC) resulted in a significant further swing in the power pendulum towards the centreright. In the policy sphere the conference adopted important motions elaborating Labour's alternative economic strategy and also established a nonnuclear defence posture as a key objective for the next Labour government.

The 'register' proposal was adopted on the basis of the NEC's approval in June of a committee of inquiry's finding that the trotskyist Militant tendency was not, as presently constituted, eligible to remain within the Labour Party. To deal with this and any other such groupings, the NEC had recommended a register of non-affiliated groups of members operating within the party, with the clear corollary that if a group was not admitted to the register its adherents would have a choice of leaving the group or being expelled from the party.

Complications arose, however, when the new NEC took





The British Labour Party at Blackpool

the first steps towards implementing the register proposal. The leaders of the Militant tendency, having previously refused to countenance the register proposal, now applied for inclusion and made it clear that they regarded themselves and their supporters as legitimate members of the Labour Party. Even though the objective of the NEC was limited to the exclusion of the small group of half-a-dozen activists associated with the Militant newspaper, it found itself on doubtful ground in the face of the threat of legal action by those marked out for expulsion.

As regards Labour's alternative economic strategy, the conference set the elimination unemployment as the number one priority. It called for reflation and the reconstruction of British industry; higher capital and current public-sector spending; the development of a positive planning framework; encouragement of worker cooperatives; selective import controls and control of overseas investment: shorter working week: control of rents, prices and fares; higher wages, pensions and benefits and the elimination of low pay; a redistribution of wealth and power to working people; and more industrial democracy.

A resolution calling for greater definition of the alternative economic strategy was also approved. This motion called for a new industry act incorporating planning agreement provisions, a new industrial democracy act, an extension of public ownership to some twenty-five of the largest companies, legislation promote cooperative ownership, finance for local authorities to set up municipal enterprises and devolved power for regional industrial training bodies. Another resolution asserting that the strategy was incomplete without a policy for incomes was defeated.

The main nuclear disarmament resolution secured approval by more than the two-thirds majority necessary for it to become official party policy. It expressed support for unilateral UK action, notably a reversal of the present government's decision to replace Polaris with Trident, refusal to have cruise missiles on British soil and the closing down of all nuclear bases. The resolution called for cuts in military expenditure and the conversion of appropriate sectors of the arms industry to socially useful purposes. It also expressed opposition

chemical and biological weapons and called on the NEC to initiate talks with fraternal parties in the Socialist International to secure agreement on a nuclear-weaponsfree zone in Europe. The text concluded with a demand that the next Labour manifesto should contain an unequivocal. unambiguous commitment to unilateral nuclear disarmament. and for the parliamentary party, including its defence spokesmen, to campaign actively in support of this policy. As in previous years, the conference also heavily rejected a resolution calling for a British withdrawal from NATO.

narrowly adopted resolutions on the Middle East both called for recognition of the PLO as the legitimate representative of the Palestinian people and condemned the Israeli military intervention in Lebanon. One of these motions also called for Palestinian selfdetermination within independent sovereign state and the other for the establishment of a democratic secular state of Palestine. The conference received a report on the NEC statement on recent developments in the Middle East.

The NEC elections at Blackpool further consolidated the shift to centre-right dominance begun at the 1981 conference. Of the six new faces on the 29member body, two were of the right, replacing leftwingers, whose majority of recent years has now disappeared. These changes took place in the NEC sections dominated by the block vote of unions and other affiliated organisations. In the constituency section, where local party activists have an exclusive say, there was a shift in the opposite direction, with Joan Lestor losing her seat to Audrey Wise. As a direct result of the Blackpool NEC changes, Tony Benn and Eric Heffer were subsequently ousted from the chairmanships of the powerful home-policy tc and organisation committees.

AUSTRIA

Socialists prepare for election test

A congress of the ruling Austrian Socialist Party (SPOe) held in Vienna at the end of October was principally geared to clarifying party policy for the run-up to the general elections scheduled for early 1983. In those elections the SPOe will be seeking its fourth successive government mandate and will have the great advantage of presenting Bruno



Kreisky, Austria's chancellor since 1970, as its candidate for a further term.

In a major address to the congress Kreisky gave a detailed account of the social and economic advances made under more than a decade of Socialist government. The SPOe chairman also emphasised the importance of Austria's policy of 'positive neutralism' for a country with such close historical and cultural links with its central European neighbours. now under communist rule. He reiterated his total commitment to East-West detente, and for the benefit of the Reagan administration in the United States pointed out that perceptions of the value of detente were not the same in Vienna or Berlin as they were in Texas or California.

The SPOe congress demonstrated its awareness that economic issues were likely to determine the outcome of the coming elections. With unemployment below the 3 percent level and inflation below 5 percent, Austria's economic situation is rosy compared with many other industrialised countries; but the jobless trend is on an upward path and other indicators show that Austria is

by no means immune from the effects of international recession. Accordingly, the party does not expect an easy ride next year and fully appreciates the built-in disadvantage which any ruling party has when seeking reelection in the present state of the world economy.

IRELAND

New Labour leader faces elections

Dick Spring, 35, was elected leader of the Irish Labour Party on 1 November in succession to Michael O'Leary. Three days later he was faced with leading the party into yet another general election. Spring's accession to the Labour spot followed the resignation of O'Leary on 28 October; but any hope of having a decent interval to accustom himself and the public to his new position was dashed when the Haughey government fell on 4 November, thereby precipitating the country's third general election in seventeen months.

A barrister by profession and a former rugby union international, Dick Spring had entered the Irish parliament in 1981 and had immediately been appointed minister of state for justice in the Labour/ Fine Gael coalition led by Garret FitzGerald.

Michael O'Leary had held the Labour leadership since June 1981 and had been deputy prime minister in the 1981-82 coalition with Fine Gael. He resigned principally because the Labour Party's annual conference in Galway on 22-24 October had distanced itself from his policy of coalition with Fine Gael. O'Leary also resigned from the Labour Party and a few days later was accepted into the Fine Gael parliamentary group.

In his resignation statement

'reluctantly concluded that I vice-chairman cannot contest the next general Conway as financial secretary. election guided by an electoral One of the first tasks of strategy in which I have no confidence'. He added that it was 'important for the future a new general secretary of the of our democracy that the Labour Party should grow stronger' and expressed his announced his intention to belief that 'given time this may occur'.

At the Galway conference Labour delegates had refused to adopt O'Leary's proposal that a decision on whether to join a new coalition with Fine Gael should be taken by the parliamentary party in consultation with the party's administrative council. They also rejected a motion which would The people's revolutionary have ruled out any possibility of Labour joining a coalition after the next election. Instead the conference adopted a strategy proposed by former party leader Frank Cluskey under which a special national conference will be convened after the next election to make the coalition decision at that time if no party has an overall majority.



Dick Spring

The delegates at Galway also rejected a proposal that in the interests of greater party democracy Labour's leader and deputy leader should be elected annually by the conference rather than by the parliamentary party.

Michael D. Higgins was reelected unopposed as chairman of the party at the Galway conference, which also reelect-

and Labour's incoming administrative council will be to appoint party in succession to Seamus Scally (47), who previously vacate the post after the conference.

GRENADA

Government moves towards holding elections

government which came to power in Grenada in March 1979 has recently initiated important steps towards the holding of general elections in the island, the first since 1976. While economic and social reconstruction is regarded as the top priority for the Jewel administration. Maurice Bishop and his government remain committed to the drafting of a new constitution. which once approved by the people will lead directly to new elections.

The government has already approached several non-Grenadan experts to ask them to serve on a constitutional review body, which will investigate the various models for a new constitution and submit recommendations. After considering these, the government will submit an initial constitutional draft to a 'consultative assembly of the people', whose amendments will be incorporated into a final draft which will then be put to a popular referendum

Pending the holding of elections, responsibility for the promulgation of 'people's laws' remains vested in the people's revolutionary government. consisting of cabinet ministers

Tom constitution, Queen Elizabeth II remains Grenada's ceremonial head of state and there is continuity of laws made prior to the March 1979 revolution. At the same time, the government is seeking to promote participatory democracy through the establishment of local community councils in sectors such as education and public health.

> On the external front, revolutionary Grenada's relations with the United States have continued to deteriorate, particularly since the advent of the Reagan administration. The

THE NEW JEWEL MOVEMENT

GRENADA, CARIBBEAN



government's establishment of close links with Cuba and the Eastern-bloc countries has not gone down well in Washington. and evidence has mounted of US-inspired 'destabilisation' moves aimed at bringing down the Bishop government.

As regards Grenada's immediate neighbours, ideological strains have continued to damage relations with some fellow members of the Caribbean Community (Caricom). Prominent among Caribbean critics is Tom Adams, prime minister of Barbados and leader of the island's Labour Party (which like the Grenada New Jewel Movement is a member party of the Socialist International). In July 1982 Adams proposed that the Caricom treaty should be amended so as to commit member states to 'the principles of parliamentary demoand the fifteen members of the cracy and human rights'. The Revolutionary Council. Despite clear implication of this O'Leary said that he had ed Senator Michael Ferris as the suspension of the 1974 proposal was that the Goessdan government should proceed quickly to the holding of elections and the ending of detention without trial or face

coming under even closer scrutiny within Caricom.

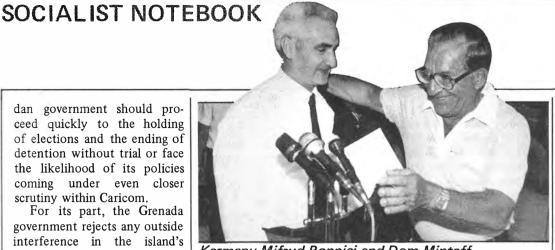
the likelihood of its policies

For its part, the Grenada government rejects any outside interference in the island's affairs and points out that the number of detainees held continuously since the March 1979 revolution is now less than thirty. It also lavs stress on the economic and social achievements of the Bishop regime, notably village-level development through improvements in infrastructural facilities, the provision of public utilities and the improvement of health care and education. The unemployment rate has been halved since 1979, with job-creation programmes being concentrated in the productive sector, and the old regressive tax structure has been reformed. Basic commodities have been subsidised, the rights of trade unionists have been strengthened and a national insurance scheme has been introduced for the first time in Grenada's history.

MALTA

Mintoff hands torch to Mifsud Bonnici

Trade union leader Carmelo ('Karmenu') Mifsud Bonnici will lead the Malta Labour Party in the next general election, thereby bringing to an



Karmenu Mifsud Bonnici and Dom Mintoff

end a generation of Labour leadership by Dom Mintoff. The decision was taken at the annual conference of the party and the General Workers Union held in mid-October, when delegates unanimously approved a motion nominating Mifsud Bonnici presented by Mintoff himself.

Dom Mintoff, 66, has been leader of the Malta Labour Party for thirty-three years, since the right wing of the party broke away in 1949 under the leadership of the then prime minister, Paul Boffa. Mintoff led the party to victory in the 1955 election and served as prime minister until 1958, when his government resigned over a dispute with Britain on the island's constitutional future. During the 1960s the party's electoral fortunes were blighted by active hostility from the hierarchy of the Roman Catholic church, but Mintoff eventually recovered the premiership in the 1971 election and has kept it ever since.

In his speech accepting nomination as leader-designate, Mifsud Bonnici paid tribute to the achievements of the Mintoff era and pledged him-

self to 'embrace for ever' the ideology propagated by the leader over the past thirtythree years. He stressed that in order to remain socialist, Maltese workers must keep in mind the lessons learnt from their leader, who should be thanked for the social progress made over the past decade. Referring to Mintoff's consistent maxim that the Labour Party should be inspired by mercy and social justice, he concluded that 'this motivating force must never change'.

BONN

SUCEE statement on Polish situation

A proposal that the Socialist International should initiate a permanent study of Polish and East European trends was among the main recommendations of a statement adopted by the Socialist Union of Central and Eastern Europe (SUCEE) at a conference held in Bonn on 2 November. It was also suggested that the East European experience should be considered by the International in connection with the drafting of its new declaration of principles. Comprising eleven exiled social democratic parties from communist-ruled SUCEE also expressed its conviction that the International 'will continue to express its steady concern with the struggle of Solidarity, thus bringing home to the workers of Poland that the International stands clampdown in Poland was by them'.

The most astonishing and unique feature of the Polish ent that the concessions

developments', said the statement, 'has been the steadfastness demonstrated many times by Solidarity, the first free and independent trade union in a communist-dominated country, and its ability to assert itself against the concentrated onslaught of the army and police

The statement continued: 'Generating enthusiastic support from millions of its working-class members, Solidarity stood firmly in defence of their rights, voicing their feelings and aspirations, while creating a climate in which other sections of the population and mainly the peasants were able to assert the right to their own organisations. While conveying the workers' aspirations and grievances, they were able to obtain the effective aid of writers and students associated in KOR, the Committee for the Workers' Defence.

'The most impressive and remarkable achievement of Solidarity was the agreement signed by its spokesmen, headed by Lech Walesa, and members of the government. In it the government pledged itself to implement trade union revendications and in the first place to recognise the new trade union and, connected with it, the right to strike. Added to it were essential claims concerning wages, and a number of fundamental claims of a political nature, such as freedom of expression, unhindered publicity for the trade union's activities, and the right to appoint factory directors. This was the magnificent display of trade unionism pure and simple, neither inspired nor burdened by any political or ideological consideration except the promotion of the elemental urge for freedom and independence in trade union activities.'

The subsequent military assessed by SUCEE as follows: 'Before long it became appar-



periodico del partito socialista unitario sezione della internazionale socialista

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granted by the government were a mere tactical retreat, followed by a slanderous campaign of disinformation, arrests and imprisonments, culminating in the declaration of martial law and finally with the ban of Solidarity passed to its shame by the Seim. However, neither martial law nor the ban on Solidarity could extinguish the spirit of resistance. Solidarity switched from open to underground activity and the leadership was taken over by

clandestine leaders in industrial

centres throughout the country. They remember the outrages of

the past years and shooting of

their fellow workers in 1956 and 1970. To the astonishment

of the world and contrary to

previous experience, the sup-

pression of free trade union

activities was followed neither

by apathy nor despair but by a

grim determination to continue

the struggle by new methods

necessitated by the changed

situation. The unity and the

cohesion of the workers is

admirable; there have been no deserters and no quislings in

The statement concluded:

'Without openly recalling the

Brezhnev doctrine, the Soviet

government has exerted over-

whelming pressure on the

rulers of Poland from the very

activities; the Warsaw Pact

armies have been for months

engaged in manoeuvres in areas

close to the Polish frontiers

with the obvious attempt to

Solidarity's

of

their ranks.

beginning

FEDERAL GERMANY

End of SPD/FDP coalition

An era came to an end on 1 October when the Federal German parliament approved a 'constructive motion of no confidence' in the chancellorship of Helmut Schmidt by 256 votes to 235. The chancellor was the European Community's longest-serving head of government. The SPD-led government was replaced by one led by Christian Democratic leader Helmut Kohl. This transformation of the Federal government German brought about by the decision of the tiny Free Democratic Party (FDP) to switch its allegiance from the Social Democratic Pary of Germany (SPD) to the Christian Democrats (CDU). An early general election is scheduled for March

The SPD-FPD coalition had survived thirteen years, initially intimidate and to dismiss first under the chancellorship of secretaries of the party found Willy Brandt and since 1974 diminishing returns in its long-standing alliance with the SPD, notably in a series of state election set- Schmidt, in a 'state of the



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back to Hamburg, his home town

backs which appeared to cast doubt over its survival as a federally represented party.

Contentious negotiations between the two government parties had resulted in a precarious agreement being reached by July on budgetary and financial strategy for the coming year. But the FDP's that the coalition had reached its end, in response to which nation' address to the Bundestag two days later, called on the FDP to make a clear statement of its intentions.

After a week's further confusion the four FDP members of the cabinet resigned on 17 September and their portfolios were taken over by existing SPD ministers. A move by Schmidt to precipitate an immediate election was resisted by the Christian Democrats. whose aim of getting Kohl into the chancellery was facilitated by the federal constitution's stipulation that a successful motion of no confidence which also nominates a new chancellor obliges the president to appoint that person. The crucial development was the eclipse of the FDP in the Hesse state election on 26 September,

as "too soft". While obviously failure to secure representation under Helmut Schmidt. Since acting according to Moscow in the June state elections in being returned to power in the instructions, General Jaruzelski May 1980 general election, Hamburg served to strengthen succeeded in driving Solidarity however, the coalition had feeling in the party that its underground; at the same time, experienced increasing internal future would be better served the communist dictatorship strains arising from FDP oppoby ending the coalition with lost the whole generation of sition to important aspects of the SPD at an early date. On the young who learned what the SPD's economic strategy. September Hans-Dietrich freedom, however limited. At the same time, and perhaps Genscher, vice-chancellor and the FDP chairman, went on means - an experience they more importantly, the FDP will never forget. It is to the saw political record himself with the view

belongs.'

young, and not to the party or

military rulers, that the future



Hans-Jochen Vogel

which persuaded the remaining doubters in the parliamentary party to support Kohl's nomination. The FDP's reward was four ministerial portfolios in the new Kohl cabinet.

In setting the date for a general election at 6 March the Christian Democrats are clearly seeking a breathing space to establish their governmental credibility, while the FDP doubtless hopes that its switch will bring about an upturn in its electoral fortunes. For the SPD the election will be difficult, especially since Schmidt himself has announced that he will not be the party's candidate for chancellor, although he will seek to retain his Bundestag seat and will remain politically active in his native Hamburg.

In a speech to the SPD parliamentary party in Bonn on 26 October Schmidt made it clear that his decision not to lead the party in the forthcoming election was based on political and personal considerations. In the latter respect the former chancellor said that on the basis of his doctors' assessment of his state of health 'it would not be honest for me to be a candidate in a general election when I have today a very real fear that I would be able to fill the post for only a fraction of the legislative period"; he also disclosed that such a decision would have to

be the same if there had been Bundestag election in the autumn of 1982 – even though I did not know this four weeks ago'.

On the political level Schmidt's reasons for giving up the SPD leadership were related to his recent experiences with the FDP and also to his assessment of the state of opinion within the party itself. 'I simply cannot imagine myconducting coalition discussions after 6 March', he said; a further partnership with Genscher was out of the question, and he would not negotiate with the Christian Democrats or the Greens (Ecologists). At the same time, although many Social Democrats had urged him to agree to stand again for the sake of continuity and firmness, it had become clear that there were internal party controversies and differences of opinion which could resurface at any moment convenient to the protagonists.

Schmidt concluded his refusal address as follows:

'I am sure this decision is an opportunity to make way for younger talent in our party. Today we need everyone. Already today I want to offer my assistance to the Social Democrat who, after the necessary decisions of our party, will lead us in the coming Bundestag election campaign. In this connection there is sition in West Berlin.

something that lies close to my heart: one is often not just very lonely when at the head of the government, and it is necessary in fact to hide both the loneliness and the pain it causes; one can also become very lonely even as a candidate for supreme office. Not just one's opponents but also some of one's colleagues can be very hurtful because of their egocentric thinking.

'However, if the word solidarity is to be more than just an abstract ideal, one must draw from such an ideal conclusions which make sound political sense. One of them is . . . that discipline is the legitimate child of solidarity. Indeed, without political discipline the solidarity of Social Democrats would not be worth very much. Accordingly, I shall do all I can to make sure that the old rule holds true: argue as much as you like in private but present a united front to the outside world. I shall place all my strength in word and deed at the disposal of the new man in order to ease his burden. It goes without saying that this also applies to Klaus von Dohnanyi and my Hamburg colleagues, for certainly my home city once again needs an unequivocal Social Democratic mandate. No one is going to have any reason to doubt my deep-rooted social democratic convictions. I have devoted my life to social democracy and its aims and tasks. That is how it will remain'.

Vogel to be chancellor candidate of SPD

Following Helmut Schmidt's decision to stand down, the SPD executive on 29 October unanimously nominated Hans-Jochen Vogel as the party's candidate for the chancellorship in the March elections. A former federal justice minister, the 56-year-old Vogel is currently leader of the SPD oppo-

SWEDEN

Palme's new team

Sweden's new Social Democratic government announced by party chairman and prime minister Olof Palme on 8 October includes several new faces and a number of important structural changes.

Among the newcomers is Lennart Bodstrom, 54, the former chairman of TLO, the country's major white-collar union federation, who becomes minister of foreign affairs and trade.

Structural changes in the new government include the abolition of the separate ministries of economic affairs, budget, trade and local government and the creation of new departments responsible for finance and civil service affairs.

The full lineup in the new cabinet is as follows: Olof Palme (prime minister), Ingvar Carlsson (deputy prime minister), Ove Rainer (justice), Lennart Bodstrom (foreign affairs and trade), Borje Andersson (defence), Sten Andersson (health and social affairs), Curt Bostrom (transport and communications), Feldt (finance), Kiell-Olof Lena Hjelm-Wallen (education), Svante Lundkvist (agriculture), Anna-Greta Leijon (labour), Hans G. Gustafsson (housing), Thage G. Peterson (industry), Bo Holmberg (local government). Gertrud Sigurdsen (public health and medical services), Bengt Goransson (cultural affairs and comprehensive schools), Anita Gradin (immigrant affairs), Birgitta Dahl (energy) and Roine Carlsson (state-owned companies).

In his policy statement to the Swedish parliament on 8 October, Olof Palme gave a signal of the new government's determination to get to grips with the country's severe economic problems by announcing a 16 percent devaluation of the krona. The aim of this



The new Swedish cabinet

move, he said, was to create confidence in the Swedish currency and to improve the competitiveness of business and industry at home and internationally. The intention of the government was to check the present decline and to put some wind in the sails of the economy; to this end a broad programme of new investment would be proposed, primarily in the transport, construction, energy environmental sectors, with the particular aim of creating new jobs.

On the Social Democratic Party's much-debated proposal for new wage-earners' investment funds, Palme said that the government would invite the various interested parties to participate in discussions on the manner in which capital resources could be increased by such methods.

As regards external policy, the new prime minister said that Sweden's long-established policy of neutrality would be firmly and resolutely continued, adding that Swedish territory would be protected against violations by all available means. A particular policy aim would be to reach agreements making the Nordic area

a nuclear-weapons-free zone, while at the same time conducting an active peace policy in the quest for real disarmament.

EL SALVADOR

FDR proposes a dialogue

The following proposal for a dialogue by the Democratic Revolutionary Front (FDR) and the Farabundo Marti National Liberation Front (FMLN) was issued by the two Salvadorean opposition groups on 5 October 1982.

We begin with the fact that a large majority of our people are struggling to build a just society, where every individual and the community as a whole has the right to a dignified life, can benefit from the material riches produced by the people, and enjoy the advantages of a universal culture and science.

We acknowledge the historic struggle of the Salvadorean people, who have made a great effort to achieve, by the various legal and peaceful ways available, justice; and the inalienable right to be master of their own destiny, to organise their society in the way they

think fit, thus realising their right to self-determination. However, a privileged minority has always made use of force to impede these hopes, with the inevitable consequence that the Salvadorean people had to resort to military means in their political struggle. This is universally acknowledged as their legitimate right.

'The Salvadorean people's decision to fight allows us to assert that it will inevitably triumph, but we know this will be achieved at a high price, which that same minority will impose; and we know that as well as the great loss of human lives, it will destroy a great deal of the national patrimony, which will obviously make the reconstruction of the country more difficult for the Salvadorean people. It is clear that the US government's political and military intervention is a fundamental cause of the prolongation of the Salvadorean conflict and prevents our people freely determining their social and political destiny; moreover, the present North American administration has increased its interference in the affairs of Central American states and countries, thus

eignty, and impeding our right to exercise self-determination. For these reasons, US conduct seriously threatens peace in the region and in the rest of the world.

We consider that it is of the greatest importance for the people of the region, and particularly for the Salvadorean people, to find a way of achieving peace, democracy and social justice more quickly. We have studied carefully the calls from political leaders of the region and elsewhere in the world, as well as from religious leaders and international organisations (United Nations, Non-Movement) Aligned worried by the magnitude of our people's suffering, and conscious that peace in the region and throughout the world is at stake, have suggested that ways and means of achieving peace and social justice be sought.

'Among the prominent figures who have spoken out this way recently are Pope John Paul II, addressing the Episcopate and Salvadorean people on 6 August last; the presidents of Mexico and Venezuela, Jose Lopez Portillo and Luis Herrera Campins; and the Episcopal Conference of El Salvador who, on 15 July last, urged "all the parties involved in the conflict to abandon their rigid stance, to be open to a sincere, clear and truthful dialogue in a spirit of good will authentic patriotism, putting the unity of the Salvadorean family above personal or group interest".

'Written records exist which prove that we have agreed to hold discussions or negotiations, and in spite of systematic rejection, we remain firmly disposed to participate in direct dialogue because we know that large sectors of our nation, political as well as union, religious, military etc., are in favour of such discussions in order to seek peace.

'In this way, and in order to achieve maximum efficiency in our efforts to find a solution to

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the conflict, it is necessary that such a dialogue be carried out between the parties involved directly in the conflict: likewise, however, we believe it necessary that other sectors of the nation, from political, religious, union and academic fields, participate and offer their valuable contributions.

'Therefore, in the spirit of sincere patriotism, honouring our political responsibility and relying on the will for peace expressed by different sectors of our people and by the other Central American nations, we propose:

- 1) That the Democratic Revolutionary Front (FDR) and the Farabundo Marti National Liberation Front (FMLN) on the one hand, and on the other, the Executive Power, the National Constitutional Assembly and the El Salvador armed forces initiate soon a direct dialogue, without prior conditions, based on establishing peace and social justice in El Salvador, and which will contribute to detente in the Central American region.
- 2) That both sides appoint plenipotentiary delegates for this purpose.
- 3) That a group of intermediaries be included to organise and to make the dialogue possible, putting the delegates of the different parties in touch with one another, so that together they may determine and coordinate matters relating to the process of initiating and developing such a dialogue.
- 4) That both sides, together with the intermediaries, examine the ways in which other sectors of the nation may participate in the dialogue, including the following: political parties, labour organisations (workers and peasants), private business associations, ecclesiastic sectors, universities, professional colleges and other union groups interested in contributing to a solution to the Salvadorean conflict.
- 5) That as a sign of goodwill

and mutual seriousness of purpose, and to achieve positive results, the dialogue be carried out in the presence of reliable witnesses. These could be nationals or foreigners, according to the decision of both sides.

With the objective of facilitating the dialogue, and in order to demonstrate our willingness to initiate such a dialogue, we, the Democratic Revolutionary Front and the Farabundo Marti National Liberation Front, have appointed our plenipotentiary delegates, whose names will be made known at the appropriate time.'

The chairman of the FDR is Guillermo Ungo, who is also leader of the National Revolutionary Movement (MNR), a member party of the Socialist International.

DENMARK

Joergensen stands down

Anker Joergensen submitted the resignation of his minority Social Democratic cabinet on 3 September after failing to negotiate an agreement with other parties to secure the parliamentary passage of a major package of economic austerity measures. He was replaced a week later by Paul Schluter of the Conservative Party, who formed a four-party centre-right government with the Venstre Liberals. the Centre Democrats and the Christian People's Party and who thus became Denmark's Conservative first prime minister since 1901.

One of Western Europe's longest-serving prime ministers,

Anker Joergensen



Joergensen first became prime minister in October 1972 on succeeding Jens-Otto Krag as chairman of the Social Democratic Party. Thereafter he headed minority Social Democratic administrations in 1972-73 and from February 1975 to August 1978, when he formed a minority coalition with the Venstre Liberals. This lasted until September 1979, after which he again led single-party minority cabinets.

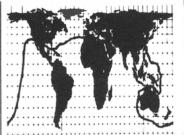
The new centre-right coalition remains precarious in the Danish parliament, where it commands the support of 66 members out of 178 and will face strong opposition from the 61 Social Democrats.

NORTH-SOUTH RELATIONS

Brandt Commission envisages European initiative

The reactivated Independent Commission on International Development Issues chaired by Willy Brandt now envisages that Western Europe will have to take the lead if solutions to the presssing problems of the Third World are to be found. Meeting in Brussels in late September, the Brandt commission considered the growing financial strains in the international banking system and decided that a new section should be added to its initial report published in 1980. Its further recommendations will focus on the special responsibility of the European countries, given the disinclination of the United States to take any positive action.

After the meeting Brandt said that he had all but given up hope of the US government taking an enlightened attitude to the problems of developing countries, particularly to the commission's central recommendation linking recovery in the industrialised world with a major transfer of resources to year.



the Third World. 'The United States is suffering from an isolation complex', said Brandt, 'and considers itself alone capable of deciding for the rest of the world'.

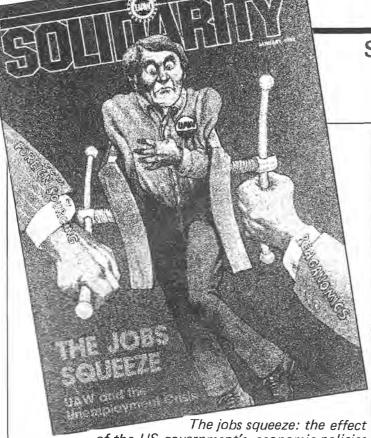
The president of the Socialist International made it clear that he had no time for those who argued that the appearance of chronic strains in the international banking system ruled out any possibility of financing industrial development in the poor countries. He noted that when Mexico recently threatened to default on its debt payments some 25 billion US dollars of new loans were found by the banks within four hours to bail Mexico out. It was therefore not true to say that money could not be found to finance Third World development, which would actually aid recovery in the industrialised world.

AUSTRALIA

ACTU's jobs levy plan

A plan drawn up by the Australian Council of Trade Unions (ACTU) for a weekly levy of 4 Australian dollars aimed at creating jobs secured approval at a special union conference in Melbourne in September. The plan envisages that the levy will represent about half the tax cut on average weekly earnings announced in the (conservative) government's latest budget. It would be paid into a national employment fund and would raise an estimated 785 million dollars - enough to create up to 60,000 jobs initially and double that number within a

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of the US government's economic policies as viewed by the magazine of the United Auto Workers

UNITED STATES

Economists attack Reagan programme

The Reagan administration has been the target of increasingly sharp critiques of its economic policies this autumn, including a condemnation by a group of thirty-four economists. In a critique issued in Washington, the group said that the Reagan economic programme 'is based on unrealistic assumptions, lacking credible support in both economic theory and the experience of industrial countries'.

The economists' statement called the programme 'insufficient' and 'extremely regressive in its impact on society, redistributing wealth and power from the middle class and the poor to the rich, and shifting more of the tax burden away from business and on to low and middle income consumers'.

The statement was issued by the Full Employment Action Council and the National Policy Exchange. Ray Marshall, formerly labour secretary in the Carter administration, heads the National Policy Exchange, an economic research group. The general statement by the two organisations also called for 'developing a consensus among industry, labor and government on the appropriate interplay between prices, incomes and economic policy'.

The joint statement proposed a National Economic Policy Board and an Industrial Development Bank to spur economic growth in the US. Although not all signatories of the statement endorsed the proposal, the statement said that such a board would help in the work in the preparation of 'the incomes policy needed in the fight against inflation', and in forming 'a coherent industrial policy'. The Development Bank would be used to channel investments attempt to draw on the large pools of pension fund revenues in the US.

The group argued that an essential condition for new business investment was a steady growth of demand, and said that moving towards full employment would be 'the single most important contribution we can make towards strengthening industry and improving productivity growth'.

Among the prominent which has economists endorsing the state-members.

ment were: Robert Eisner of Northwestern University, Lester Thurow of the Massachusetts Institute of Technology, Robert Lekachman of the City University of New York, Washington consultant Robert Nathan, Richard Musgrave of Harvard University, George Perry of the Brookings Institution and Sar Levitan of George Washington University.

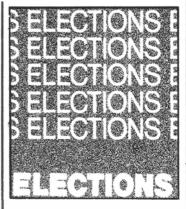
Bishops call for economic democracy

In a move which surprised many observers, thirty US Episcopal bishops have attacked the 'growing wave of antiunionism in the US' and questioned the commitment of 'absentee corporate owners'.

The Labor Day pastoral letter was issued by the Urban Bishops' Coalition — an organisation within the generally conservative US Episcopal church.

The group's declaration also endorsed the concept of 'cooperative ownership' as a means of restoring dignity to workers. They also commented that it was not possible to see how economic recovery could be achieved in the US or elsewhere 'except through a process of democratic control of work in local communities'.

They pointed out that the history of cooperative enterprises in the US and globally had been one of high productivity, and attacked the 'sinister power and threat to the welfare of the human community' represented by corporations which remove decision making from the people affected. The statement questioned whether it would be possible to end 'the inequality structured into the workplace', given the 'self-interest of corporate owners'. The statement was released during the triennial convention of the Episcopal church of the US. which has some 2.75 million



NORTHERN IRELAND

SDLP wins 14 seats in new assembly

The Social Democratic and Labour Party (SDLP), a mainly Catholic formation which is affiliated to the Socialist International, did reasonably well in elections for a new Northern Ireland Assembly on 20 October, winning 14 of the 78 seats and 18.8 percent of the vote, and thus remaining the principal political expression of the Catholic minority. The SDLP came under pressure from the Sinn Fein, the political wing of the Provisional Irish Republican Army (IRA), which surprised some people by taking 5 seats. But its 10 percent share of the vote was thought to come mainly from Catholics who had not participated in previous elections, rather than from SDLP defectors.

As in previous elections aimed at restoring devolved government to Northern Ireland, the Protestant vote overwhelmingly remained behind Unionist candidates of various hues. The Official Unionists became the largest single party in the new Assembly, with 26 seats and 29.8 percent, but are under strong challenge from Ian Paisley's more fundamentalist Democratic Unionist Party (21 seats and 23 percent). Of the non-sectarian parties, only the Alliance Party made a creditable showing, winning 10 seats and 9.3 percent of the vote.

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The representation of Sinn Fein in the new Assembly was widely seen as a major setback to the British government's plans in Northern Ireland. The elections were followed by a wave of savage sectarian killings and attacks on the security forces.

Both the SDLP and Sinn Fein had stated well before the election that their successful candidates would not take their seats in the new Assembly, on the grounds that the government's initiative had resulted in arrangements unacceptable to the Catholic community.

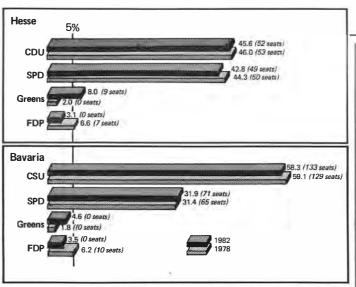
In particular, the SDLP objected that there would be no guaranteed share of power for the minority in the new Assembly and also complained that Jim Prior, the Northern Ireland secretary, had failed to consult Dublin before drawing up his plans. It had apparently been Prior's hope that the SDLP could be persuaded to participate after the election. Some observers predicted that any such change of course will do the SDLP little good in the Catholic community and might further strengthen the appeal of Sinn Fein.

The Assembly elections caused further problems for the Northern Ireland Labour Party (NILP), which is also a member of the Socialist International. Complaining that the party executive had 'neither the will nor the funds' to fight the elections, NILP chairman Robert Clarke resigned a few days after voting and left the party.

FEDERAL GERMANY

SPD holds ground in Hesse and Bavaria

The Social Democratic Party of Germany (SPD) fared relatively well in elections held in Hesse on 26 September and in Bavaria on 10 October, holding most of its ground in the



The changing face of Federal German politics: Election results in Hesse and Bavaria, 1982 and 1978

former state and actually gaining votes in the latter. Voting in Hesse took place nine days after the collapse of the federal coalition between the SDP and the Free Democrats (FDP), while the Bavarian contest came a week after the formation of a new coalition between the FDP and the Christian Democrats. The penalty paid by the FDP for their federal volte-face was elimination from both state parliaments.

In Hesse the SPD polled 42.8 percent (1.5 percent down on 1978) and won 49 of the 110 seats as against 50 previously. The Christian Democratic Union (CDU) also lost ground slightly, but the biggest losers were the FDP, which slumped from 6.6 to 3.1 percent, well below the 5 percent required to secure representation. With the CDU winning 52 seats, the remaining nine were taken by the Ecologists (the Greens), who entered the state parliament for the first time with an impressive 8 percent of the vote. The outcome provoked the breakup of the SPD-FDP coalition in Hesse and its replacement by a minority SPD administration under the continued premiership of Holger Boerner.

In Bavaria the SPD increased its share of the vote from 31.4 to 31.9 percent and its seat total from 65 to 71. In contrast, the ruling Christian

Social Union led by Franz-Josef Strauss fell from 59.1 to 58.3 percent, but increased its representation from 129 to 133. This distortion arose because the FDP, with only 3.5 percent, was eliminated from the state parliament, while the Ecologists (4.6 percent) narrowly failed to surmount the 5 percent threshold.

AUSTRALIA

Labor takes South Australia

The Australian Labor Party (ALP) took control of a third state government when it won the South Australia elections

John Bannon, new premier of South Australia



on 6 November. Benefiting from a 7 percent swing in its favour, the ALP ousted the sitting Liberal government in power since 1979, winning 24 of the 47 seats in the state parliament. The new Labor state premier, the youngest in Australia's history, is 39-year-old John Bannon.

The ALP now controls three of the country's six state governments, the other two being Victoria and New South Wales.

CANADA

NDP makes some gains in autumn elections

The governing Liberal Party has faced a series of reverses at both the national and the provincial level in Canada this autumn, but the gains have been shared by the New Democratic Party (NDP) as well as the Conservatives.

In a group of federal byelections held in the province of Ontario on 12 October, the Liberals lost one seat to the Conservatives, and the NDP and the Conservatives each held one. The NDP victory in the riding of Broadview-Greenwood, by nationally prominent women's activist Lynn Mac-Donald, held the seat vacated Bob Rae, who now bv leads the Ontario provincial NDP, and secured election to the provincial legislature in a byelection on 4 November.

In a provincial general election in the maritime province of New Brunswick on 12 October, the New Democrats elected their first member to the legislature in the province's history. The victory by Robert Hall in the constituency of Tantramar represented a significant breakthrough for the party in the province, which returned a Conservative government for the fourth time. The NDP popular vote climbed to 14 percent, with the Liberal vote showing a marked decline.

SOCIALIST NOTEBOOK ELECTIONS



In Alberta on 2 November. provincial electors returned the Conservative government of Peter Lougheed, with a massive majority of 75 seats out of a total of 79. However, in the face of this decimation of the opposition, the NDP managed to increase its popular vote to nearly 20 percent and elected its second member to the legislature. In addition to leader Grant Notley, the party is now represented by former party secretary and president, Ray Martin, who captured the seat of Norwood in Edmonton. The party now becomes the

official opposition in the

Alberta legislature, as the

remaining seats are held by

independents. The gains made by the NDP were not what some observers had predicted. The Conservative party, led by a continuingly unpopular leader nationally, Joe Clark, won two byelections and two provincial general elections. The Liberal Party though, both at the federal and provincial level, suffered defeats in all of the contests. heightening speculation concerning the future of the party leader and prime minister, Pierre Elliot Trudeau.

MALAYSIA

DAP success in Perak

The opposition Democratic Action Party (DAP) scored a major victory in a Perak state byelection held on 16 October. Shaking off the disappointment of its performance in the April general election, the DAP won the Kepayang seat in Perak by 16,246 votes to only 6,482 for the Malaysian Chin-

slender majority.

Kit Siang hailed the byelection less narrow margin of 289 result as a vote on confidence votes. Labour's share of the in the party's role as the princi- vote was 36.3 percent (against pal opposition to the National 45.1 percent in 1979), the Front regime. The DAP would now, said Lim, seek to mobilise wider support for this 'declaration of the people of Kepayang on behalf of the people of Malaysia'.

BRITAIN

Labour wins in London and Birmingham

Signs of a turning of the electoral corner for the Labour Party were apparent in two parliamentary by elections held SRI LANKA on 28 October, one for the Peckham seat in south London | SLFP defeated but not and the other for the Birmingham Northfield constituency. Both contests were won by Labour, which held the Peckham seat with a comfortable majority and captured Northfield from the Conservatives. The latter victory represented the Labour Party's first byelection gain since 1971.

The Peckham seat was won for Labour by civil liberties campaigner Harriet Harman by a majority of nearly 4,000 votes. With a Liberal-backed Social Democratic (SDP) candidate mounting a strong challenge, the byelection became three-cornered contest in which the Conservatives were relegated to third place. Labour polled 50.3 percent of the valid vote, nearly 10 percent down on the 1979 general election figure; but the low turnout of 38 percent plus the intervention of the SDP rendered precise comparisons misleading.

The Birmingham by election also featured a three-cornered fight, between Labour, Conser-

ese Association (MCA), which vative and SDP-backed Liberal is part of the ruling National candidates. Whereas the seat Front coalition. In the April had been narrowly gained by poll the DAP had retained the the Conservatives in the 1979 Kepayang seat with only a general election, this time the Labour candidate, John Spellar, DAP secretary-general Lim emerged the victor by a slightly Conservative came second with 35.6 percent (10 points down) and the Liberal third with 26.1 percent (18 points up).

> The overall distribution of seats in the House of Commons (excluding the four non-voting members) became: Conservatives 333, Labour 238, SDP 30. Liberals 12, Ulster Unionists 10, Scottish Nationalists 2, Welsh Nationalists 2, Irish Nationalist 1, independent socialist 1, vacant 2.

disgraced

President Junius Jayewardene of the conservative United Party (UNP) won his expected victory in the Sri Lankan presidential election held on 20 October, but the left-wing opposition Sri Lanka Freedom Party (SLFP) was by no means disgraced by the results. In a difficult contest for Mrs Bandaranaike's party (at least because she herself was barred from standing), SLFP candidate Hector Kobbekaduwa took 39 percent of the vote, nine points up on the party's performance in 1977. Jayewardene's bid for a second term received the backing of 52.9 percent of the voters, but this was well below the 60 percent performance which the UNP had been predicting. Although it remains a tiny minority in the Sri Lanka parliament, the SLFP thus received some encouragement in its determined opposition to Jayewardene's schemes to transform the country's parliamentary

democracy into a presidential system of government.

UNITED STATES

Mid-term rebuff for Reagan

President Reagan's Republican Party received a jolt from the US electorate in mid-term congressional elections held on 2 November. Campaigning mainly on a ticket of opposition to the administration's economic policies, Democratic candidates registered substantial gains in the House of Representatives and also captured a number of state governorships from Republican incumbents. Although Senate remained under Republican control, Reagan's men will now find it harder to resist the growing demands for a fundamental change in the course of economic policy.

Both the Republicans and the Democrats made two gains in the senatorial elections, so that the distribution of seats in the upper chamber remained at 54-46 in Reagan's favour. In the House elections, however, the Democrats rolled back most of the gains made by the Republicans in 1980 and increased their majority to 267 seats against 166 for the Republicans. The Democrats also registered a net gain of seven state governorships.

During his first two years in office Reagan has been able to find an 'ideological majority' in Congress for his controversial economic programme, relying on the support of conservative Democrats to provide him with the necessary majorities, particularly in the House. While the mid-term poll has not shattered this majority, Reagan's postelection offer to work with the new congress in a bipartisan fashion shows that he, or at least his aides, know that easy victories for White House policies in Congress will be a thing of the past.

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The slogan on this poster from the Italian Socialist Party reads: