

THE FEDERALIST

a political review

To look for a continuation of harmony between a number of independent unconnected sovereignties situated in the same neighbourhood, would be to disregard the uniform course of human events and to set at defiance the accumulated experience of ages.

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The Federalist was founded in 1959 by a group of members of the Movimento federalista europeo and has been published in English, French and Italian since 1984. The review is based on the principles of federalism, on the rejection of any exclusive concept of the nation and on the hypothesis that the supranational era of the history of mankind has begun. The primary value *The Federalist* aims to serve is peace.



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The Roads towards World Federation

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Ever since the birth of the European federalist movements in the Resistance, those among their militants who felt the need to reflect on the historical sense of their undertaking have viewed the struggle for the European federation as the beginning of the federalist phase of mankind's history destined to be completed with the foundation of a world federal government. Not by chance Kant's works have been our guiding light from the outset.

From the very start the objective of the world federation has been of considerable significance as regards placing our action into the right perspective, and hence in determining the specific style of our political behaviour. But it ought not to remain a pure idea with no definite content any longer. Since the time of the foundation of the federalist movements many things have happened. The danger of mankind's destruction in a nuclear war has shifted the boundaries between utopia and reality, creating precisely that situation which Kant considered as the essential prerequisite for the creation of a universal Völkerbund. In sectors such as the exploitation of the resources of the seabed, an awareness of the need to create a world authority to replace national governments is becoming widespread. The Chernobyl accident has brought home to Europeans vividly and dramatically the stupidity of borders that no longer defend us from anything, but which obstruct the circulation of information and prevent international collaboration. Finally, the very relationships among federalists have also undergone a significant change for the better — thanks in part to this review. For the first time, federalists in the other continents have become real partners for European federalists. The premises are being laid for debate, and among the crucial

themes in this debate, discussion on the way or ways to achieve world federation figures prominently.

It is not a question of writing the history of the future, because the timetable of world political integration is not predictable, and hence the forms that it will take are also unpredictable. But we can begin exploring the field, seeing what roads are possible, studying the conditions under which one or the other can be followed and deciding whether they are compatible or not with each other.

* * *

There are, however, some features in the process of development towards world federation that can be identified with a reasonable degree of certainty even now. The first is that the world federation will only be born from a pact between great continental federations, and that its creation will thus be preceded by intermediate stages of regional political unification. It is clear, on the one hand, that the evolution of the means of production will create the need for political unification with different degrees of urgency and intensity in the different areas of the world, depending on their geo-strategic position and their level of economic development. It is equally clear, on the other hand, that a world federal pact will be realistically negotiable only between a restricted number of states, and that the awareness of the need for such a pact will only develop adequately in pluralistic nations, which have run the full course of the national phase of their history and who fully realize that they have entered the path towards progressive supranational expansion of the state's scope.

The second is the democratic nature that the regimes in the great regional federations making up the world federation must necessarily have. This is a requirement which is part of the very nature of a federal world government. Without fulfilling this requirement, the covenant by which the world federation would be established would not be a pact among free peoples, but the result of the imposition of certain groups, classes, or states, on all others. It would not thus be a federation, but an empire that, not being based on freely given agreement, would be destined to dissolve rapidly again into a series of sovereign states under the weight of rebellion of peoples forced to belong to it against their wishes.

The third and final characteristic of the process concerns its beginning. There is today only one region in the world where — thanks to the profound crisis in the national state formula —

steps towards integration have advanced to the point where the plan for federal unification is a topic in current affairs and has hence become the strategic objective of a realistic though difficult political struggle. This region is Western Europe. These steps in the process of European unification are thus destined in a subsequent phase to make other paths towards world unity, that can currently only be imagined, concretely pursuable. If this process should be checked, becoming a historical failure, and should Europe once more be turned into a theatre of nationalistic confrontations, then it is difficult to see from what other sources the embryonic forces encouraging the drive towards unity that exist in many other regions of the world could derive their ideal inspiration.

* * *

Any attempt to go beyond identification of these compulsory stages on the road towards world unification is risky. All we can realistically do is to draw up an inventory of the possible scenarios. It is, moreover, of vital importance to bear in mind that the roads are not necessarily incompatible, and that they do not necessarily imply alternative directions in the process. It is, on the contrary, highly probable that the different scenarios represent distinct stages in the process, the precise sequence of which cannot be predicted today or, rather, which cannot be predicted with a reasonable degree of certainty. These paths are, therefore, options which, when seen in the context of implementation over a period of time, are not irreconcilable and hence can be followed at the same time.

History, in its complex unfolding, while experiencing one stage in its path, prepares the way for the subsequent stages so that the entire journey in a certain sense is contained in germ in each individual step. Those who struggle to bring about change must be able to recognize these signs. Those who do not know how to recognize these signs, in the name of a linear conception of history and an empirical conception of politics, concentrate only on the first step, and gravely prejudice the effectiveness of their action by limiting from the very beginning the number of those whom their message can reach and involve and by failing to activate the deepest motivations of those who are actually reached by it.

It is for this reason that our profound conviction that the process of political unification of the world must necessarily begin with the unification of Western Europe must not prevent us from examining very carefully all the other drives towards unification

on a regional scale that exist in the world. Equally, our forecast that the federalist phase of world history, even after the political unification of Europe, will pass through the creation of other great continental federations cannot justify our disinterest in the first efforts to strengthen the UN as a supranational body which are currently being attempted, for example in the field of the law of the seas.

* * *

But let us now turn to the various imaginable scenarios. The first is based on the forecast that the birth of the European federation will deeply alter the world balance of power, eliminating the main hurdle that prevents the trend towards multipolarism (which is currently visible, but which remains potential) from being fully achievable. In particular, the mediating and stabilizing role carried out by Europe, attenuating the rigidity of current USA-USSR antagonism, will make it possible to consolidate definitively the emerging poles such as China and India and will favour a salutary process of regionalization of spheres of influence. Moreover, both the stability of the strategic balance, brought about precisely by its multipolar nature, and the less extensive spheres of influence could lead to radical changes in the management of the latter, eliminating the dominance of the military factor in the exercise of leadership. Development aid and the contribution to the creation of integrated markets would become the main instruments of influence. The drive towards integration, firstly economic and subsequently political in Africa, Latin America and the Middle East, the primary condition for their real independence, would receive a decisive impulse.

The second scenario is that of Europe from the Atlantic to the Urals. It is based on two hypotheses. The first is the progressive democratization of the Soviet Union's regime encouraged by the transformations brought about by the scientific and technological revolution. The second is the "break-up" effect that the new world multipolar equilibrium, inaugurated by the birth of the European Federation, would have on the Russian Empire. A united Western Europe would exercise a very strong attraction on the Eastern European states, which are currently satellites of the Soviet Union. The strengthening of a possible Middle-Eastern Islamic pole would encourage strong centrifugal drives in the Asiatic moslem republics to the point where their independence would become possible. Thus, the conditions for widening the European Federation would be created not only in the direction of Eastern European states, but also in the direction of those

republics which make up the European part of Russia itself and whose European identity would be strongly revalued by the end of the imperial character of the Russian regime.

The third possible scenario is the Union of democracies, prepared for by forms of institutionalized integration between Europe — after it has achieved unity — and the United States. This option is made very likely not only by the cultural affinities existing between Europe and the United States but also by urgent need for reform of the international monetary system and the need to ensure an effective government for world trade. Both these objectives would be unthinkable in any stable form without deep agreement — guaranteed by common supranational institutions — among the commercial and monetary policies of the regions of the world with both highly-developed economic systems and democratic regimes.

The fourth and final scenario is what we might call the Russian-American axis. It is based on the hypothesis that the growing awareness of world public opinion vis-à-vis the reality of the danger of the extinction of the species in a nuclear conflict and the ever acuter alarm arising from this might change the nature of the world balance precisely as the Second World War changed the nature of the European balance by triggering the process of European integration under the aegis of the Franco-German agreement. In this respect, the European Union would be the natural mouthpiece for these fears owing to its geographic position and its role as a mediator that would arise from the circumstances of its birth. Also within the world context, therefore, the reconciliation — encouraged by Europe — between the two superpowers (around whose rivalry the current world equilibrium revolves) might act as a driving force in the process of unification making it possible, by means of the "inversion" of the arms race, to achieve a massive and rational use of resources to end the North-South divide and favour regional unification projects wherever they arise. It goes without saying that this scenario also presupposes a concrete start to the process of democratization in the Soviet Union, but not necessarily its conclusion. It is the very need to collaborate created by the urgency of removing the danger of a nuclear holocaust that will encourage the forces of renewal in that country.

* * *

Today it is not possible to foresee which of the roads that we have attempted to describe will be the one that the historical process will follow: the more so since, as we have said, it is

perfectly conceivable that they will not be possible alternatives, but rather successive stages on the same path, or that they may be complementary. It is obvious that, for example, federal development of the first scenario (European, African Federation etc.) might not be incompatible with a triangular confederal development (Europe, Japan, USA) on an economic and monetary level or with the direct strengthening of world monetary agencies.

There are many possibilities and it would be pointless to choose today. For the time being, our immediate choice is for the European Federation. But setting the problem — and encouraging debate — seems to be important. Today there are many forces — small, certainly, but highly important inasmuch as they herald much greater future developments — and many as yet unconscious ferments which, in one way or another, work in the same direction towards the unification of mankind. It is essential that, by means of a debate which might be difficult, but not for this reason less necessary, these forces look patiently for an area of agreement and hence the ways by which to link up to achieve a single result. "The Federalist" hopes to be able to contribute effectively to the success of this undertaking.

The Federalist

The World Economy and the Scientific Mode of Production

GUIDO MONTANI

1. The new economy and the crisis in the international economy.

It is widely recognised today that the root cause of the crisis which is affecting most industrialized countries, and which has not spared Third World countries either, lies in the improper working of the international economy. Despite this, the vast majority of economists still believe that we can overcome the crisis with simple economic policy measures taken at a national level or at the very most with intergovernmental policies. But the issue is far more complex. Facing us is a radical change in the world economic system which can only be managed with completely new instruments of political economy, in essence with the creation of true supranational state institutions.

The chaos in the world economy and international politics is the result of the failure to appreciate the new reality: a world market and a highly interconnected world economic system. And yet there are very few economists who question Keynes' statement which argues: "It is the simultaneous pursuit [of a domestic employment policy] by all countries together which is capable of restoring economic health and strength internationally, whether we measure it by the level of domestic employment or by the volume of international trade."¹ Experience should have made it clear by now that it is simply just not true that all countries act, as Keynes suggests, "simultaneously and together" as regards common objectives. This ingenuous conception of international relations overlooks the fact that we are completely at loss about what to suggest when one country decides to make other countries

¹ J.M. KEYNES, *The General Theory of Employment, Interest and Money*, Macmillan, London, 1973, vol. VII, p. 349.

pay the cost of its development with beggar-my-neighbour policies. In actual fact, in a world of national sovereignties, anarchy is a much more frequent situation than the imaginary harmony postulated by economists. But, since we do not seem to learn the lessons of history, we go on governing the economy with the stale categories of internationalism drawn up in the 18th and 19th centuries in a world where international economic interdependence had not yet affected the development prospects of every single nation in any decisive way. Yet never before have national economic policy objectives been more subordinated to that unchanneled force which economists call the "international trend". This is the clearest proof of the bankruptcy of economic thinking.

New ideas are, however, gaining ground in economic research as a result of careful examination of what is going to be known as the internationalisation of the economy. In particular, the facts brought to light by studies promoted by international organizations (for example the various agencies of the UN, the OECD and the EEC) force us to consider the world, or at least several great continental areas, as being entirely interdependent. For instance, input-output analysis, as Leontief has shown,² may be usefully used to examine the structure of the world economy and draw conclusions about economic policies which will contribute to reducing the gap between rich and poor countries. Even Keynesian economists, who so far have only managed to envisage international problems as a simple arithmetic sum of national problems, have begun to conceive the existence of an aggregate worldwide demand and the consequent need to create a world instrument for economic policy.³ Finally, in the field of the reform of the international monetary system, after the phase of general chaos caused by the policy of flexible exchange rates, support for a system of fixed exchange rates is at last gaining ground, as is the courageous opinion of economists like Triffin, who have tenaciously argued the need to create a world currency and a World Central Bank, starting with the creation of international regional currencies, such as the European Ecu, and the progressive extension of this method to the world level.

Despite this progress, we still need to investigate the laws of development of today's world economy, if there are any. We need to use the appropriate conceptual tools to examine the

² W. LEONTIEF, "The World Economy in the Year 2000", in *Scientific American*, September 1980.

³ A. TH. ANGELOPOULOS, *Global Plan for Employment. A New Marshall Plan*, Praeger Publishers, New York, 1983.

world economy as a single, specific structure. This approach has been adopted by a number of economic historians, such as Braudel and Wallerstein. Their reconstruction of the modern economy in the light of centre-periphery dynamics, which runs from the original world-economy of Italian Renaissance states to the current world-economy, is a precious and vital reference point for any scientific analysis of the current economic system. It helps us to appreciate, for example, that the celebrated "Japanese miracle" is in many ways nothing more than a by-product of the more general dialectic between the "Pacific pole" and the "Atlantic pole", which is reproducing one of Braudel's famous *décen-trages* on a wider scale.

The obvious use of this approach must not, however, conceal the fact that too little attention has so far been paid to the relationship between the world economic system and the world system of states, in essence the relationship between the world-economy and international politics. I. Wallerstein is the contemporary author who has examined these aspects the longest⁴ and it is perhaps worthwhile giving a thumbnail sketch of his method of analysis, a method, incidentally, commonly used by scholars in the Marxist tradition. Wallerstein believes that the world economic system is capitalistic in nature, even though most existing states claim to have achieved Socialist régimes. Socialism can only be the conscious government of men over the process of production. Wallerstein rightly argues that there can be no socialism without a "socialist world government."⁵ The most general logic which controls the world system of production is thus the "capitalist mode of production", i.e. the attempt by production forces to appropriate the greatest amount of world surplus. None of the world's states (which according to Wallerstein are instruments in the hands of the ruling classes, and hence instruments of the bourgeoisie, where the private ownership of the means of production exists) can escape this general logic: "A state is stronger than another state," argues Wallerstein, to "the extent that it can maximize the conditions for profit-making by its enterprises (including state corporations) within the world-economy."⁶

We could object that Wallerstein, though trying to take the idea of a world system of states into account, ends up by impo-

⁴ We are referring to two collections of essays: *The Capitalist World-Economy*, CUP, Cambridge, 1980 and *The Politics of the World-Economy*, CUP, Cambridge, 1984.

⁵ Cfr. *The Capitalist World-Economy*, *op. cit.*, p. 35.

⁶ Cfr. *The Politics of the World-Economy*, *op. cit.*, p. 5.

verishing the concept by subordinating it to the logic of "world capitalism." His basic three-way division between centre, semi-periphery and periphery forces us, for example, to bracket the Soviet Union with semi-peripheral states, on a par, that is, with other Socialist states in Eastern Europe. We only need refer somewhat crudely to the doctrine of *raison d'état* to appreciate that the idea of bipolarism — or a bipolar world government — is much closer to international political reality. It raises the Soviet Union to the status of a superpower, on a par with the United States, and turns both Eastern and Western European countries into satellites of the superpowers.

Even though this article does not propose to go into the dynamics of the world system of states, as a political system, a passing reference is inevitable since we believe that correct examination of the historical process must account for the relative autonomy of political facts vis-à-vis the much vaster and much deeper dynamics which are progressively transforming the world system of production and world society. The development of the major advanced technologies such as energy from nuclear fusion, space exploration, information technology etc., which have had such a remarkable impact on the evolution of the economic system, is quite independent of the form of the ownership of the means of production. In other words, a profound change is currently taking place in the system of production which is affecting both Western market economies and Eastern countries with state ownership of the means of production to the same degree. In a nutshell, we are arguing that contemporary world society is experiencing a transition phase "from the industrial mode of production to the scientific mode of production", or from a mode of production in which the worker and the factory (organized by the private owner or by the controller of the state plan) was the main production force to a mode of production in which automation and intelligent work are the new driving forces in social and economic progress.

Ours is not just a terminological innovation disagreeing with those who support the idea of the "capitalist mode of production". What is at stake is the identification of the forces of progress and objectives which must from time to time be pursued to make progress possible. Wallerstein argues that the task of "anti-systemic forces" is to overcome the capitalist form of production, and he includes socialist countries among the anti-systemic forces. On the contrary, our argument is that the main hurdle to the development of productive forces, in our times, lies in the division of the world economy into national sovereign states.

The development of modern science and technology leaves us with the possibility of freeing man from the physical toil of labour and accelerating the progress of the Third World to dignified living conditions. But this potential will not be turned in actual reality owing to the impossibility of planning a rational use of resources on a world scale, through a world development plan. A natural prerequisite for such a plan is the free and conscious participation of all peoples and all states, i.e. international democracy. But the present condition of international anarchy, in which powerful states dictate the conditions with which the rest of mankind must comply, entails the exploitation of the resources of science and the economy, "the common heritage of mankind," not with a view to improving the human condition in its entirety, but merely to strengthen this or that *raison d'état*. The arms race, international monetary chaos and the miserable conditions in which the Third World is left to flounder are merely the result of an international system which accepts the fetishistic attachment to national sovereignties. Anyone who is against an end to the absolute national sovereignty of states is against the development of productive forces and this includes socialist states and all other political forces who, although they may call themselves progressive, do not have enough courage to question this atavistic postulate of political thinking.

The new economy will be the result of the process by which national economic policies will be superseded. Economics must begin to envisage the possibility of organizing public finance, regional, employment and development policies etc. at different levels of government, which range from the local to the national and from the continental to the world level. In this article it will not be possible to tackle all these aspects of the new economy: hence we shall restrict ourselves to discussing them in terms of what, at least from the economist's standpoint, is the basic starting point: the evolution of the mode of production towards the new post-industrial stage.

2. Mode of production, economics and politics.

If we want to use the term "new economy" we must make sure it has a rational basis. We must, in other words, try to clarify what new economic phenomena there are today as compared with the past. This is a problem of identifying the various phases or stages in economic growth, a problem which is seldom discussed in contemporary economic thought. It is, therefore, worthwhile hinting at a method of analysis which seems essential to a thorough understanding of the contemporary economy.

Indeed, in the *Wealth of Nations*, recurring and enlightening parallels are scattered here and there which compare what happens in the civilized European world and what happened in "that early and rude state of society" which preceded it. The technique of examining social phenomena by comparing different stages of growth was drawn by Adam Smith from the wide literature which flourished at the dawn of the modern system of industrial production, as a consequence of geographical explorations and a natural desire to compare European society's qualities and defects with those of the new societies which had just been discovered. As a result of the contributions made by many commentators, a new theory of development was put forward: the *theory of the four stages*. Adam Smith himself, in his lectures on moral philosophy, had widely discussed the distinction between "an hunters age, the shepherds age, the agricultural and the commercial age."⁷

As industrialization progressed, economics increasingly became centered on problems of growth connected with the industrial system (or the factory system, as it was then called) and was especially concerned with the new role of the entrepreneurial bourgeoisie and the working class. Ricardo did not hesitate to claim that the study of the laws determining the distribution of income between wages, profits and rents is the fundamental problem of political economy. In the light of this shift in thinking, the four stages theory inevitably became increasingly less important in English classical political economy.

But this theory was forcefully repropounded and deepened when continental European countries tried to follow England. A fundamental theoretical contribution came from Friedrich List in *The National System of Political Economy* which was published in 1841 and which lent support to the advocates of the German Customs Union (*Zollverein*). In this book, List called for protection in the face of England's stronger and more well-established industry. Political and economic measures designed to foster infant industries were justified by List on the basis of: a) a theory of development of productive forces; b) the idea of an international order which would steadily develop towards equality in growth among all nations, where universal peace and free trade would be possible. "The future union of all nations," argues List, "the establishment of perpetual peace, and of universal

⁷ For an accurate historical reconstruction of the theory of the four stages see R.L. MEEK, *Social Science and the Ignoble Savage*, CUP, Cambridge, 1976.

freedom of trade, [is] the goal towards which all nations have to strive, and more and more to approach."⁸

The central problem for political economy (or *Nationalökonomie*) is, thus, to define conditions which allow all nations to move from a primitive stage of development towards a more advanced stage. The main stages of development are, according to List, the savage state, the pastoral state, the agricultural state, the agricultural and commercial together, and, finally, the agricultural-industrial-commercial state.⁹ At every stage reached by the nation, certain productive potentialities will be displayed. It is the degree of development of productive forces which brings about the welfare and prosperity of a people. The productive forces of a nation do not depend, however, only on material factors such as the possession of natural resources or the quantity of disposable manpower, but "also on its social, political, and municipal laws and institutions, and especially on the provisions for the continued existence, independence, and power of the nationality. [...] Productivity depends not only on the division of various manufacturing operations among many individuals, but still more on the moral and physical co-operation of these individuals for a common end."¹⁰

Classical economists, or the School, as List polemically calls them, made two fundamental mistakes. The first was to claim that it is in every nation's interest to carry out a free-trade policy, regardless of the degree of development achieved by a particular nation. The second was defining a theory of exchangeable values without tying it in with the problem of development of productive forces. Political economy, therefore, comes down to being "the science which teaches how riches, or exchangeable values, are produced, distributed and consumed." On the contrary, affirms List, "an independent theory of the 'productive power' must be considered by the side of a 'theory of values' in order to explain the economical phenomena."¹¹ According to List, we should note that a productive employment of resources is not restricted merely to those circumstances where existing productive forces are enlarged quantitatively (i.e. what is usually called accumulation in the industrial system). On the contrary, those investments

⁸ F. LIST, *The National System of Political Economy*, Augustus M. Kelley, New York, 1966, p. 347.

⁹ *Ibidem*, p. 177.

¹⁰ See the *Introduction*, in M. HIRST, *Life of Friedrich List*, Augustus M. Kelley, New York, 1965, pp. 306-7.

¹¹ F. LIST, *The National System of Political Economy*, *op. cit.*, p. 137.

which bring about an "awakening" of productive forces and which trigger off the transition from one stage to another should also be considered productive. Thus, in contrast to Adam Smith's thinking, expenses for instruction and education must be considered productive, if we want to foster the industrial development of an agricultural nation and so on. This is the reason why protective duties are justified for a nation which considers the "industrial education" of her people as an essential factor in reaching a higher stage of industrial development, already attained by luckier nations.

List's thought certainly had an impact on Marx. It is obviously improper to maintain that Marx was led to work out the concept of "mode of production", which he discussed for the first time in *The German Ideology* (1845-46), urged on merely by List's need to put forward a "theory of productive forces." But at that time he was certainly actively interested in working out a critique of List's system, and Marx's writings¹² show some significant aspects of Marxian thought which are worthwhile discussing here. In *The German Ideology*, Marx greatly enlarges on the idea of the four stages of development in the more general formulation of "mode of production", which entails examination of all those conditions which make material reproduction of human life possible. It is, therefore, an examination of what Marx called a determined *way of life*. But, in many expressions, the links with List are almost literal. For instance, Marx says that "the various *stages of development* in the division of labour are just so many different forms of ownership; i.e. the existing stage in the division of labour determines also the relations of individuals to one another..." And previously he says that "the relations of different nations among themselves depend upon the extent to which each has developed its *productive forces*..." How far the productive forces of a nation are developed is shown most manifestly by the degree to which the division of labour has been carried."¹³

The change in terminology, from "stages of development" to "mode of production", as mentioned above, corresponds to a substantial advance in social sciences. The fundamental importance of the concept of mode of production lies in the fact that, above

¹² This manuscript was recently discovered and published in German in the *Beiträge zur Geschichte der deutschen Arbeiterbewegung*, 1972, n. 3, pp. 423-446.

¹³ K. MARX, F. ENGELS, *The German Ideology*, International Publishers, New York, p. 43. My italics.

all else, every society must assure its own survival, i.e. its reproduction. An examination of all the functions which assure the reproduction of social life will single out a set of necessary human behaviours which can be defined as structural (and which are the subject studied by historians concerned with the *longue durée*, to use Braudel's terminology). A particular society's reproduction is only guaranteed when it achieves an external equilibrium with nature (whose power it suffers almost entirely during the very first stages of development, but which it subsequently manages to control) and an internal equilibrium among the different productive forces.¹⁴ The productive forces are related in very specific ways to each other and thus ensure that a society has the quantity of commodities and services required. Every mode of production, therefore, determines the forms of social production, its productive potential, the maximum size of the population, the mode of income distribution and, finally, a set of specified types of social life (in the family, town, state, etc.). The specification of the role which every individual must play in the context of a certain mode of production is achieved by means of the analysis of the division of labour. The mode of production is the most general way of understanding man as a worker, i.e. studying human action as a behaviour directed to reproduction of social life.¹⁵

On the basis of this outline sketch of the concept we can also give, as Marx does, an outline classification of history into periods. In a primitive age, man the hunter and fisher lived by robbing nature. With pasturing and agriculture, man learnt to regenerate natural resources used for his subsistence: cities were founded, written knowledge was developed, etc. Subsequently, man the artisan began to transform raw materials into goods required by the limited local market with the help of simple tools. Finally, with the industrial revolution, man, on the basis

¹⁴ For an interesting discussion of the notion of balance between society and nature, on the one hand, and between different social forces, on the other hand, see N.I. BUKHARIN, *Teoria del materialismo storico*, La Nuova Italia, Florence, 1977 (consulted in the Italian edition; the first Russian edition dates back to 1921).

¹⁵ These observations ought to be enough to justify the preference for Marxist terminology as compared with the commoner but less precise reference to "stages of development". For example W.W. Rostow, (*The Stages of Economic Growth*, CUP, Cambridge, 1960) speaks of "stages of growth" both to discuss the problem of the transition from a pre-industrial mode of production to an industrial mode of production and to indicate the various phases of development within the same mode of production.

of his early scientific knowledge, constructed machines which exploited natural energies and greatly enhanced manual labour so that man could easily obtain the goods he needed in great quantities (mass production) from raw materials.

It is in this very general sense that it seems appropriate to speak of "new economy". We will try, in other words, to outline the main economic aspects of the new mode of production: the scientific mode of production. In a first approximation, we could in fact argue that with the scientific mode of production man is finally achieving the conditions required to make machines do all the work required for the physical reproduction of society. The industrial mode of production was based on worker's labour and industrial capital as production forces. With the new mode of production it is science itself which becomes the main production force.

Nevertheless, before we embark on an analysis of the scientific mode of production, it is worthwhile discussing a few ambiguities that various writings on the concept of mode of production have still not cleared up completely. The first relates to the confusion between the notion of the mode of production, taken as a typical concept of historical and social sciences, and historical materialism, taken as a typical concept of the philosophy of history. The dispute between Marxist and Liberal philosophers on determinism and the role to be assigned in history to freedom is well-known. Inasmuch as it is possible to do so, we will try to overcome this difficulty here by arguing that our concept of mode of production must be understood as an "ideal-type" in Max Weber's sense of the word. In the historical and social sciences it is obviously indispensable to speak of determined human action: otherwise there would be no sense in attempting to formulate behavioural models or social laws. But this does not in any way imply that *all* human action is determined. For this reason, social sciences do not claim to provide an exhaustive explanation of human action and the ideal-type is a conceptual construction which is not designed to be a faithful representation of reality. It is obtained by means of the "unilateral accentuation of one or more points of view... in a conceptual framework which in itself is unitary." The typology constructed by the social scientist is ideal only in the logical sense. It is a utopia, a theoretical construct "against which reality must be measured and compared."¹⁶ Ideal-types are auxiliary instruments of knowledge. In

¹⁶ W. WEBER, "Die 'Objektivität' sozialwissenschaftlicher und sozial-politischer Erkenntnis", in *Gesammelte Aufsätze zur Wissenschaftslehre*, Mohr, Tübingen, 1922, pp. 146-214.

essence, a social scientist only needs to be able to assume that human action is *partly* determined. And this is the sphere of social reality which constitutes his subject matter.¹⁷

A second clarification must be made regarding the relationship between the mode of production and politics. This is a relationship that List places at the very heart of his analysis with a method that was subsequently unjustly overlooked in social sciences, in particular in economics. List should, in fact, be viewed as the first theoretician of the international economic order. On the basis of the evolution of production forces through different stages and the role of the state in international politics (the idea of *raison d'Etat* is often implicit in his reasonings), List managed in 1841, for example, to make the amazing prophecy that British imperial power would decline historically vis-à-vis the United States and that Europe would need to find some form of political union of a continental size to be able to sustain the challenge from the new power on the other side of the Atlantic.¹⁸ This

¹⁷ This is the way E. WEIL puts it in *Philosophie politique*, Vrin, Paris, 1966. In particular, Weil asserts on p. 90: "Only a rationalistic and mechanistic society can attempt to understand itself in a *science*, i.e. in a calculating analysis, in a description which does not admit any criterion other than *calculability* itself, instead of trying to understand itself in a system of various values co-ordinated or which need to be co-ordinated (a moral, a *summum bonum* with its lower *bona*)." Later on he adds on p. 93: "... the individual who poses the problem of freedom, *his* freedom, does not, by virtue of his personal individuality, belong to the field of social sciences. These sciences do not deal with him and have nothing to say about him."

These statements are perhaps enough to avoid the re-opening of the old dispute between the supporters of the dialectic method and the supporters of the scientific method which did so much damage to the proper understanding and use of the notion of mode of production even within the Marxist tradition of thinking. For example, Gramsci (in his collection of essays published as *Quaderni del carcere*, "Il materialismo storico e la filosofia di Benedetto Croce", Einaudi, Turin, 1966) chides Bukharin for having tried to reduce the "philosophy of praxis" (Marxism for Gramsci) to a scientific theory, using the method of physical sciences. In the same way, Gramsci criticizes Croce for having tried in his works on historical materialism (*Materialismo storico ed economia marxista*) to consider it a simple "canon for the interpretation of history". In actual fact, it is possible to argue that this polemic clarifies why historical materialism, when interpreted as an ideal-type or canon for interpretation of history, finds consensus on its use among scholars belonging to different ideological trends.

¹⁸ This forecast is formulated in Ch. 35: "Continental Policy", in the *National system of political economy* where List, among other things, states "If we only consider the enormous interests which the nations of the Continent have in common as opposed to the English wartime supremacy, we shall be led to the conviction that nothing is so necessary to these

happy blending in the analysis of the evolution of productive forces with the evolution of international politics was completely clouded in Marx's thinking. Marx's field of observation was very sharp and extensive at a structural level and concentrated on the idea of production forces, but was completely out of focus as regards the concept of state and international policy. This weakness emerges very clearly in his criticisms of List. The fact that individuals belong to their own social class constitutes the decisive factor in any social relationship. Nationality is thus entirely submerged and absorbed by class relationships. "The nationality of workers," says Marx for example, "is not French, nor English, nor German ... His government is not French, nor English, nor German, it is *capital*... Money is the fatherland of the industrialist."¹⁹ The history of our century has tragically shown the falsity of these statements: after the collapse of the II International as a result of nationalism and the two World Wars there is certainly no further need to argue that national loyalties have, in some circumstances, proved to be much more profound and decisive than class loyalty, both for the bourgeoisie and for the proletariat. But though it was difficult in the first half of the 19th century to envisage that power politics when combined with nationalist ideology would have had such tragic consequences (and it was not foreseen even by List), nevertheless the state, both in its internal and its external relationships, should not have been construed as a mere appendage to civil society. Yet, in Marx's thinking the state had no particular role other than as a defence for capital's interests, as the *comité d'affaires* of the bourgeoisie.²⁰ The reasons for this reductive conception of the

nations as union, and nothing is so ruinous to them as Continental Wars."

"For the same causes which have raised Great Britain to her present exalted position, will (probably in the course of the next century) raise the United States of America to a degree of industry, wealth, and power, which will surpass the position in which England stands, as far as at present England excels little Holland." (*Op cit.*, pp. 421 and 423).

¹⁹ *Beiträge zur Geschichte der deutschen Arbeiterbewegung, op. cit.*

²⁰ In the manuscript quoted, criticizing List, Marx states literally that "the state... is subjected to bourgeois society". And on the political role of the idea of nation he argues that "All that nations have done as nations, has been done for human society, all their value lies only in this, that each nation has experimented to the full for other nations newer central points of determination, within which man has completely achieved his own development..." Obviously this is the cultural role of nations, when culture acts and spreads all around spontaneously. But the nation state, as a military power, does not act in the world only through the spontaneous diffusion of culture.

role of the state are probably to be sought in Marx's conviction that civil society's institutions, such as the family and classes, play a very vital role in conditioning individuals' action and thinking, much more than state "superstructures" do. The distinction introduced by Hegel between state and civil society was overshadowed in Marx by the doctrine of historical determinism, in which the forces of production and production relationships appear as the primary actors.²¹

The theoretical and practical consequences of this conception of the state are highly relevant (we may merely think of the ensuing theories of imperialism and the often whimsical search for economic causes of war). But they cannot be discussed here for reasons of space. Two aspects of List's approach need, however, to be stressed since they would otherwise run the risk of falling into oblivion, if we accept the methodology of the mode of production acritically. The first relates to the role of the state as a productive force. List continually repeats that no division of labour can be achieved without co-ordination and that co-ordination is achieved through the market and the state as a supreme organizer of the material and spiritual energies of the nation. In the second place, it should be recalled that the development of the international economy depends both on the evolution of the dominant mode of production (it is possible to achieve co-existence in time and space between several modes of production: in this case their relationships need to be examined) and on the laws which regulate the world system of states. Even the world system of states can be examined with the help of models or Weber's ideal-types. But the question naturally arises at this stage as to what specific relationships need to be created between the evolution of the mode of production and the evolution of the world system of states. List himself showed that the evolution of the political system may influence the development of production forces. The issue cannot be tackled here.²² An analogy

²¹ On this point see Z.A. PELCZYNSKI's convincing analysis "Nation, Civil Society, State: Hegelian Sources of the Marxian Non-theory of Nationality," in *The State and Civil Society. Studies in Hegel's Political Philosophy*, (ed. by Z.A. Pelczynski), CUP, Cambridge, 1984, pp. 262-278.

²² On the relationship between the mode of production and power politics see the *Introduzione* of S. PISTONE's *Politica di potenza e imperialismo* (edited by S. Pistone), F. Angeli, Milan, 1973. Among scholars who have attempted to clarify the relationship between evolution of the productive process and *raison d'Etat* we should include O. Hintze. Among his most significant essays, as well as those contained in the Anthology just quoted, we may mention: "Der moderne Kapitalismus als historisches

will perhaps help to visualize the problem. The melted waters of a glacier will certainly reach the sea, perhaps through underground passages and via thousands of rivulets. But we will never be able to define *a priori* or even in any precise way the course they will follow as they move down to the sea. Many factors determine the course of a river and they change constantly. In much the same way the evolution of the mode of production generates a process of rapid diffusion from the most advanced to the most backward societies which steadily changes the international equilibria between states. The details of this process are beyond our control. But we can reasonably foresee the point of completion and a few significant intermediate stages.

The third and final point on which we need to dwell is the presumed equivalence between mode of production and economy. Marx himself is responsible for this. Indeed, in his 1859 *Preface* to the *Critique of political economy* he writes that "the anatomy of civil society is to be sought in political economy."²³ This reduction of civil society to economy is extensively adopted by Marx's followers and even theorized in a philosophical conception of the world, known as economic materialism, i.e. a reductive and vulgarized version of historical materialism.

In actual fact, historical materialism is the most general point of view from which to analyze social facts: it determines social roles by means of the analysis of the division of labour and production forces. It enables us, as we have already pointed out, to study man's action inasmuch as his action is oriented to reproducing social life. It is the concept of mode of production that enables us to identify certain forms of life associated with the family (patriarchal family, monogamic family, etc.) in the village or in the city and so on. Economics is more limited in its scope. The economist takes the division of society into roles (studied by the sociologist and the anthropologist) as something which falls beyond his field of study and is concerned primarily with defining how work can be efficiently organised once this framework has been established. The most general form of organization of work is the market. The subject matter of economics is the behaviour of individuals in the market and the functioning of the economic system within the state framework (the economic plan).

Individuum. Ein kritischer Bericht über Sombarts Werk" in *Soziologie und Geschichte*, Vandenhoeck & Ruprecht, Göttingen, 1964, pp. 374-426.

²³ K. MARX, *Foundations of the Critique of Political Economy*, Penguin, Harmondsworth, 1973.

But since no state is a monad cut off from other states it is always vital, when examining the economic process in its entirety, to take the world system of states as its reference point.

3. *The world market and the end of regional economic blocs.*

The world market is not the result of recent events. Potentially, it began to exist in the Renaissance phase of geographical discoveries, the growth of extra-Mediterranean trade and the beginning, in the second half of the 18th century, of the first process of industrialization. The world-economy, or *l'économie-monde* to use Braudel's meaningful statement, has progressively spilled over the borders of the increasingly tiny Europe and, in the last century, all other continents could be considered as "peripheral" to the European core. Indeed, as early as 1846, Marx could write: "Big industry universalized competition... established means of communication and the modern world market... it produced world history for the first time, insofar as it made all civilized nations and every individual member of them dependent for the satisfaction of their wants on the whole world."²⁴

Nevertheless, it is true that even on the eve of the First World War, Europe monopolized more than 60 per cent of world trade and that, if North America is included, the figure is nearly 80 per cent. Therefore, the importance of extra-European countries was very restricted. A true turning point occurred only during the period following the Second World War. To begin with things did not change very much from a purely quantitative point of view. However, in certain respects things worsened. For instance, the ratio of underdeveloped countries' foreign trade on the world total, which was 16 per cent in 1900 and which rose to 31 per cent in 1950, had dropped dramatically to 17-18 per cent by 1970.²⁵ We must note that these percentages hide a very big increase in international trade in developed countries, but despite this it is clear proof of the difficulties poor countries have had in keeping pace with more advanced economies. Even so, since postwar reconstruction, there has undoubtedly been an extraordinary acceleration in world economic integration, following a model which we may define "by blocs", in the sense that economic phenomena have more or less followed the great trends in world politics, characterized,

²⁴ K. MARX, *The German Ideology*, op. cit., pp. 77-78.

²⁵ P. BAIROCH, *The Economic Development of the Third World since 1900*, Methuen & Co. Ltd, London, 1975, p. 93.

in this phase, by Russian-American bipolarism, with the ensuing policy of opposing blocs.

Within every area of influence, the two superpowers were able to guarantee a fairly stable and progressive international order. Between these two world macro-regions, there can be no doubt that the West scored higher economically. The United States was very active in the IMF, GATT and UN ensuing the creation of a free Western market and a monetary system based on fixed exchange rates. The outcome was unprecedented growth in per-capita income: about 5 per cent per year between 1950 and 1970. This is the highest rate of growth in the world economy ever observed (during the Gold Standard phase, from 1870 to 1913, the rate of growth was exactly half this figure). With good reason, some economists have defined the twenty years following the Second World War as the "golden age" of world economic history.²⁶ CMEA countries, led by the USSR, recorded even higher growth rates during the same period: in some cases 7 per cent. Nevertheless, their level of per-capita income is still lower than that of Western countries, though it is difficult to assess the real gap exactly.

This "by blocs" development model was turned upside down by a deep crisis during the seventies. There are at least three main factors that led to this structural crisis: the appearance of new autonomous centres within the two superpowers areas of influence; the Third World's demand to participate in the world industrialization process and, finally, the progressive opening and integration between the two blocs of industrialized countries.

The first decisive change which must be considered is the decline in the bipolar system: new centres of economic power in the world sprang up and they started playing an autonomous role in the world equilibrium. Military bipolarism survives, but economic multipolarism is growing alongside it. The USA is still the world's leading industrialized country, but its supremacy is no longer indisputable as it was in the immediate postwar period. In those years, 45 per cent of industrial world potential was concentrated in the USA. In 1980 it fell to 31 per cent. The USSR went up from 10 per cent to 14.8 per cent, Japan from 2.9 per cent to 9.1 per cent, China from 2.3 per cent to 5 per cent, Third World countries from 6.5 per cent to 12 per cent and Europe, though still maintaining an important position, went down from

²⁶ Data taken from A. MADDISON, "Western Economic Performance in the 1970s: a Perspective and Assessment", in *Banca Nazionale del Lavoro - Quarterly Review*, vol. 33, September 1980, pp. 247-289.

26 per cent to 23 per cent.²⁷ To assess this data properly, we should remember that in the first years of this century, while the USA's share forged ahead of Britain's, the centre of the world-economy inevitably migrated from London to New York.

The relative decline in American economic leadership had considerable impact on the workings of the world market. On the monetary front, we have shifted from a system of fixed exchange rates, inaugurated at Bretton Woods, to a system of floating exchanges. The dollar has remained the reference point for international exchanges, but the USA is certainly no longer the "world banker" as it was in the immediate postwar period when the response to the "dollar shortage" crisis was the Marshall Plan. USA reserves, which in 1949 amounted to 66 per cent of total world reserves, had already fallen to 27 per cent in 1959 and were in the red when, on August 15th, 1971, the dollar ceased to be convertible into gold. At present, we are facing a real reversal in the situation: financial capital, especially from Europe and Third World countries, is being sucked into the USA because of high interest rates. We would have to go back to the years of the Great Depression to find a similar phenomenon.

Progressive dismantling of the Western free trade zone, painfully created by the United States in the postwar period, thanks to the adoption of the multilateral principle, is going hand in hand with growing monetary disorder. Unanimous agreement is increasingly difficult to reach within GATT. Third World countries are excluded either as a matter of fact or by statute. They could do nothing but create the UNCTAD, an alternative centre for trade negotiations within the UN. They are demanding a general system of preferences to protect their infant industries and exports towards richer economies. The European Community, which is the world's leading trade power, has adopted her own common external tariff and has established special commercial ties with African (the Lomé Agreements) and Mediterranean countries. The Andine Pact countries, in Latin America, and ASEAN countries, in South-East Asia, are on the way to creating their own common market. Finally, the Pacific area is moving into a position of leadership in world economic growth, thanks to an extraordinary integration between the newly industrializing countries (NIC), Japan and Australia. The latter has

²⁷ Data taken from P. BAIROCH, "International Industrialization Levels from 1750 to 1980", in *The Journal of European Economic History*, vol. 11, n. 2, 1982, pp. 269-333.

already diverted her exports from Europe towards the North Pacific area.²⁸

The second factor in the international crisis concerns the new role that Third World countries are trying to play in the world economy. Once they had obtained political independence, it was quite natural for them to seek emancipation from the age-old poverty to which they were abandoned during the Cold War years. Indeed, in this phase, they were practically excluded from the international economy. An event which foreshadowed the Third World awakening was the creation of a non-aligned countries' front in the fifties, but the first concrete claims were put forward within the UN in the course of the first Conference on Trade and Development (Geneva 1964) when the "77s Front" rallied around the slogan "Trade, not Aid". Nevertheless the problem was very soon envisaged in more general terms: it was necessary to reshape the entire world economic system to guarantee full industrial development in the Third World. Only in that way was it possible to lay the foundations for real equality among all peoples (the Lima Conference in 1975 established a precise target: the Third World ought to achieve a 25 per cent share of world industrial production by the year 2000).

The richer and luckier countries cannot go on ignoring this challenge from the Third World. The raw materials crisis is to be considered as a sharp warning. We must begin to live with a population, some two-thirds of the world total, which wants to change its standard of living. The effects of these changes are already visible. The first achievements of the so-called newly industrializing countries have thrown some industries in more advanced economies into crisis. Indeed, in Third World countries, wages are ten or fifteen times lower than in the USA or Europe and, on that basis, we can quite easily understand how Third World products manage to be competitive on the international market. Therefore, we are really facing a restructuring in world production processes, with adverse effects on employment for those countries and sectors which are not able to face international competition. Certainly, as poorer countries advance on the road towards industrialization, wage levels will increase and threats to advanced countries' employment will slow down. But we are only at the beginning of a process which will put an end

²⁸ KIYOSHI KOJIMA, "Economic Integration in the Asian-Pacific Region," in *Hitotsubashi Journal of Economics*, February 1976, pp. 1-16; and, in the same review, "Australia's Trade with Asia: some Policy Issues", June 1981, pp. 1-14.

to the old division of labour (explained by Ricardo's model) whereby trade takes place between exporters of raw materials and manufacturers: international trade will increasingly become inter-industry trade, as already happens among more developed economies.

The third factor to be considered is the crisis in the socialist model of development adopted by CMEA countries in the post-war period. The CMEA (or COMECON) was created by Stalin in 1949 more as a defence institution, a reaction to both the American Marshall Plan offer of aid and various projects of a Balkan federation among Eastern European countries,²⁹ rather than as a means of realizing true integration between Communist economies. Indeed, until Stalin's death, the CMEA only had a containment effect, i.e. even if the CMEA did not produce very important international institutions, it was sufficient to interrupt trade between Eastern and Western Europe countries and divert it towards the Soviet Union. No co-ordinating institution was in fact needed to organize external trade among socialist countries. Everyone was encouraged to follow the Soviet model based on the idea of the construction of socialism "in only one country," primarily developing heavy industry and infrastructural investment.

Towards the end of the fifties, problems related to domestic economic growth which objectively required efforts in co-ordination (every country showed a production deficit or surplus in the same sectors) and the Common Market challenge which could not be ignored any longer forced CMEA countries to adopt a rudimentary set of regulations (the 1959 Statute) which, though not envisaging a supranational body, at least made it possible to launch a programme to achieve a "socialist international division of labour." During this phase, trade among member countries increased, but the same degree of integration as Western European countries was impossible to reach (the ratio between the total value of trade and the value of industrial production was four times lower than in the European Community), since trade was still mainly done on a bilateral basis and no common currency existed for the socialist area (the experiment to introduce a convertible rouble proved unsuccessful). Even if we look at the

²⁹ Proposals for a federation of Balkan countries were put forward by Tito and Dimitrov. During a press conference in Sophia, on the January 21st, 1948, Dimitrov proposed a Balkan federation between Romania, Bulgaria, Yugoslavia, Albania, Czechoslovakia, Poland and Hungary. But, after Pravda's criticism (January 28th), the project was abandoned. Cfr. S. LEONARDI, *L'Europe et le mouvement socialiste*, Fédérop, Lyon, 1978.

wider world market, comparison with the European Community is clearly unfavourable for the CMEA. Whereas the European Community (the Nine) very quickly became the world's leading trade power, with a foreign trade share of over 30 per cent of the world total, the CMEA barely reached 10 per cent, at the beginning of the seventies, which fell back sharply with the raw materials crisis.³⁰

The crisis in the seventies gave rise to doubts about the old co-operation model adopted by CMEA countries. At that time, the model consisted in the extension of the principle of the construction of "socialism in only one country" to the entire community of socialist countries. In a nutshell, they were supposed to be self-sufficient vis-à-vis the rest of the world so that any international economic crisis that arose would not have harmed the basis of CMEA development. Indeed, in the thirties, when Western economies were swept away by the turmoil of economic nationalism, the Soviet Union unhesitatingly went on down the road mapped out in her five years plans (for the 1928-40 period the growth rate for USSR industrial production was 8.9 per cent as against 1.9 per cent in the USA). Within the CMEA, this was achieved thanks to the Soviet Union's ability to supply raw materials and energy to European countries which could pay in manufactured goods. Nevertheless, this ideal situation was never reached and was later endangered by the need to buy machinery and advanced technology from Western countries, due to the lower growth rate in high technology in planned socialist economies. Moreover, in due course the spectacular increase in raw materials and energy prices compelled the Soviet Union to align her prices (which were still lower) with the world level and some European countries were forced to look elsewhere for alternative sources of supply.³¹ Thus Eastern European countries found themselves, during the crisis, in the doubly embarrassing situation of being neither able to meet their deficit with Western countries from whom they acquired technology nor their deficit with suppliers of raw materials. This is clearly an unbearable situation which allows only one progressive way out: participation on the world market on a competitive basis. It is a difficult choice but domestic

³⁰ Cfr. A. INOTAI, *Regional Economic Integration and International Division of Labour*, Hungarian Scientific Council for World Economy, Budapest, 1982.

³¹ Cfr. C. COKER, *The Soviet Union, Eastern Europe and the New International Economic Order*, The Washington Paper, vol. XII, Praeger, New York, 1984.

production structures need to be renewed using technological standards comparable with the more dynamic economies. Direct CMEA participation on the world market is already becoming the cornerstone, especially for Eastern European countries, of a new phase of development which would otherwise be impossible.³²

On the eve of the new century, we can therefore state that there is no region in the world excluded from the world process of industrial development. We can in actual fact for the first time observe integration phenomena on a worldwide scale, such as the impact of the population boom, pollution of the seas and sky, raw materials and energy shortage to name but a few. The increasingly worldwide nature of the production and development process ought to be a basic fact in any analysis which aspires to being scientific and in any serious economic policy.

These observations on the worldwide nature of production processes must nevertheless be completed with an examination of a very marked structural change which has affected advanced societies, regardless of the type of ownership of the means of production. The reference is to the transition from industrial to post-industrial society or, to use more precise terminology, from the industrial to the scientific mode of production.³³ The worldwide nature of the production process does represent anything

³² Cfr. J. BOGNAR, *End-Century Crossroads of Development and Co-operation*, Hungarian Scientific Council for World Economy, Budapest, 1980; especially the chapter on "The CMEA's ties with the world economy at time of epochal change in international economic relations". See also T. PALANKAI, *Changes in the Character of International Economic Relations*, Department of World Economy, University Karl Marx, Budapest, 1985.

³³ Terminology, as with every new phenomenon, is still uncertain. Sociologists mainly use the term "post-industrial society" (for instance, D. BELL, *The Coming of Post-Industrial Society*, Penguin Books, Harmondsworth, 1973; and A. TOURAINE, *La société post-industrielle*, Denoël, Paris, 1969), while in socialist countries the term "Scientific and technological revolution" is preferred (cfr. R. RICHTA, *Civilizace na rozcestí*, Prague, 1968). Both terms have some drawbacks. By post-industrial society we clearly mean the social and production framework which we are moving away from, we thus leave undefined the features of the new social form. With "scientific and technological revolution" we highlight the causes of the change, but no reference is made to the nature of the stages preceding the "revolution": therefore some people speak of the third industrial revolution, others of the fourth, etc. The terminology here suggested, "scientific mode of production", has no ambiguities from that point of view, but in its turn it has some shortcomings (for instance, the term "scientific society" is not commonplace, while the term post-industrial society is already widely used). On the social effects of the scientific mode of production, it should be pointed out that as long ago as 1957, MARIO ALBERTINI clearly illustrated its consequences

more than the result of the geographical extension of the division of labour connected to the new production relations. But we need to consider these effects even on the inner structure of every society, in order to grasp their deep dynamics. Indeed it is well known, both in the East and West, that the old development model, founded on the stimulus of individual consumption and on mass production of indispensable commodities, is coming to an end. The success of Keynesian policies was founded on the exploitation of domestic demand: higher wages stimulated bigger production, more per-capita income, etc. In a slightly different way, the same development model was adopted even in socialist countries.³⁴ Today, the new economy must reply to the new demands of a society striving for a better "quality of life and labour." This is the goal of the following analysis.

Before concluding, we may note that the more general features of the international division of labour could be summarized by the "double industrial restructuring" formula: while advanced countries are facing transition from the industrial to the scientific mode of production, Third World countries are painfully entering their first process of industrialization. Though useful in giving a synthetic judgement, this formula conceals some difficulties which should not be underrated. The process of Third World industrialization cannot take place using pedantically old technologies which were the basis of European industrial development in the last century. Today, nobody can afford to disregard electronics or biotechnologies. Furthermore, even in richer countries, industrial restructuring cannot take place by simply disregarding integration problems with the Third World. To conclude, it is no longer

on the working class in his essay *Il modo di produzione post-industriale e la fine della condizione operaia*, (Roma, 1957); reprinted in *Il Federalista*, November 1976, pp. 254-61.

³⁴ Cfr. J. BOGNAR, *Balance of Achievements of Twenty-five Years of Hungary's Economic Development*, Hungarian Scientific Council for World Economy, Budapest, 1982.

As far as the end of the development potential of Keynesian consumerism is concerned, we may note that in the thirties while there was a drastic slowdown in international trade, a marked increase in industrial production was nevertheless possible: there was therefore great potential in home demand which could be exploited for growth policies based on consumption and investment. On the contrary, in the seventies any fall in international trade was matched by a more drastic fall in manufacturing production. Therefore, it no longer seems possible to think in terms of national economic recovery, i.e. without being deeply integrated in world economic development (for statistics on this problem see A.G. KENWOOD and A.L. LOUGHEED, *The Growth of the International Economy*, George Allen & Unwin, London, 1983, Chaps. 14 and 20).

permissible, nor possible, to ignore the close interdependence which, for better or for worse, unites all nations and every citizen on this already very tiny planet.

4. Industry, increasing returns and employment.

The main feature of the modern age is the shrinking, in terms of employment, of the industrial sector with regard to the total active labour force. This is a clear turning point vis-à-vis the 19th century trend which Marx christened the "increasing proletarianization of society."

The problem is of great theoretical interest, but has so far only generated a few occasional comments, mainly in relation to the impressive growth of the tertiary sector. As usual, the USA is way ahead of other countries in the mass emigration towards the so-called service sector. It can be compared in size to the exodus from country to town which occurred during the European industrial revolution. In the first half of the last century about 60-70 per cent of the active population of the USA and leading European countries was employed in agriculture. Tertiary sector employment amounted to or was just above 15 per cent. Industrialization implied a population shift towards the secondary sector, which in some cases in this century amounted to 45 per cent of the total work force. The current trend is a steady expansion of the (private and public) service sector, close on 70 per cent of the total USA labour force matched by a steady decline in industrial employment. Forecasts predict that, by the end of the century, only 9 per cent (or even less) of the active population in leading industrialized countries will be able to produce all the manufactured commodities required by society. The size of industry will become virtually the same as agriculture.³⁵

This historical trend has long been known by economists as Colin Clark's "three-sectors law." But traditional thinking on the causes of economic development is unable to account for the main features of the modern mode of production. The manufacturing sector is still considered unanimously as the true "engine" of growth.

On this subject it is interesting to examine the ups and downs of "Kaldor's laws" of economic development. In 1966, in an attempt to explain Britain's very slow economic growth rate,

³⁵ For this data see J. FOURASTIÉ, *Pourquoi nous travaillons*, PUF, Paris, 1976; and *The Economist*, July 28th, 1984, pp. 17-20.

Kaldor very carefully defined and empirically tested the ancient law of increasing returns, whose roots go back to classical economists. The special attention paid to this law is justified: its existence is an index of the capability of productive forces to increase their efficiency.

According to Kaldor, "fast rates of economic growth are associated with the fast rate of growth of the 'secondary' sector of the economy, mainly the manufacturing sector."³⁶ The relatively lower dynamism of the British economy was caused, in Kaldor's opinion, by the early achievement of the stage of maturity, i.e. a situation in which, broadly speaking, per-capita income increased at the same rate in every sector of the economy. Manufacturing developed at a high rate because it was able to get workers from other sectors, mainly agriculture. But when, as happened in Great Britain, agriculture reached a very low rate of employment, the possibilities for development in the industrial sector also faded away. Kaldor explained the greater dynamism of employment in the service sector by comparing the tertiary to a "buffer" sector, which weakens industrial fluctuations: "the relatively high rate of growth of employment in services is to some extent a consequence of the instability in the demand for labour in manufacturing."³⁷ The ensuing economic policy, Kaldor claimed, consists in a set of measures fostering the transfer of employment from the primary and tertiary sectors to manufacturing.³⁸

The manufacturing sector's ability to work as the engine of growth is due to the effect of the law of increasing returns. "One finds the origin of this doctrine, says Kaldor, in the first three chapters of the *Wealth of Nations*. There Adam Smith argued that the *return* per unit of labour — what we now call productivity — depends on the division of labour, on the extent of specialization and the division of production into so many different processes, as exemplified by his famous example of pin-making. As Smith explained, the division of labour depends on the extent of the market: the greater the market, the greater the extent to which differentiation and specialization are carried, the higher the productivity. Neoclassical writers, with one or two famous

³⁶ N. KALDOR, *Causes of the Slow Rate of Economic Growth of the United Kingdom*, CUP, Cambridge, 1966, p. 3.

³⁷ N. KALDOR, *op. cit.*, p. 29.

³⁸ Among the policies put into effect by the British Government, during the years in which Kaldor (then economic adviser to the Labour Party) put forth this strategy, was the *Selective Employment Tax*, which was designed to discourage employment in non-industrial sectors.

exceptions, like Marshall and Allyn Young, tended to ignore, or to underplay, this phenomenon."³⁹

It is worthwhile examining this statement carefully because it represents a synthesis of the economic wisdom which matured in the course of European industrial development. There can be no doubt that the explanation for the growth powers of the industrial mode of production are to be sought in the working of increasing returns. But if we wish to understand the features of the contemporary world we ought to look for an explanation of the reasons why several mature economies, the USA economy in particular, have enjoyed long-term growth with a stationary or contracting industrial base but an expanding tertiary sector.

In actual fact, Kaldor's so-called "growth laws" seem more suitable for a description of the ancient world than the contemporary one: statistics clearly show that the correlation between increased productivity and increased employment in industry no longer holds good.⁴⁰ On the contrary, significant productivity increases in manufacturing occur even when coupled with employ-

³⁹ N. KALDOR, *op. cit.*, p. 8.

⁴⁰ Attempts to test Kaldor's growth laws do not seem to have been successful. In a work by T.F. CRIPPS and K.J. TARLING (*Growth in Advanced Capitalist Economies 1950-1970*, CUP, Cambridge, 1973) they are summarized as follows: "(a) the growth of aggregate production is closely related to the growth of manufacturing output; (b) in manufacturing the growth of productivity (output per man) is closely related to the growth of employment; (c) the increase in manufacturing employment is inversely related to changes in employment in agriculture and services; (d) in these latter sectors the growth of output is independent of the growth of employment" (p. 6).

We may note that by itself the first statement (a) is not enough to formulate a growth law. As, on the other hand, Kaldor himself admits, a statistical correlation might arise between total production increases and manufacturing production increases, simply because of the relative size of value added to the total. Moreover, Cripps and Tarling find a correlation coefficient for the commercial sector as high as in the manufacturing sector (p. 22). The last statement (d) does not only concern the extra manufacturing sectors. Indeed, the lack of correlation between productivity increases and employment increases is a general feature of the new type of development. And this observation is true for statement (c) too, because shifts in employment between sectors are obviously meaningful only if there is a relationship between changes in employment and changes in productivity. The decisive question, to test Kaldor's laws, is therefore statement (b), i.e. the relationship between productivity increases and employment increases in industry. But on this point Cripps and Tarling were not able to find meaningful evidence. Later on, this point was disputed by other economists, too (see R.E. ROWTHORN, "What remains of Kaldor's Law?", in *Economic Journal*, March 1975; and for a survey of the subject cfr. A.T. THIRWALL, "A Plain Man's Guide to Kaldor's Growth Laws," in *Journal of Post-Keynesian Economics*, Spring 1983).

ment contractions. In this respect, we may usefully quote the case of the USA for the period 1973-1981: employment remained practically stagnant in agriculture and manufacturing, but increased by over 2 per cent per annum in the (private and government) service sector. On the other hand, productivity in the manufacturing sector for the same period was always positive.⁴¹ As far as the European Community is concerned, the evidence available is not so homogeneous, but confirms the general trend. During the first phase of postwar economic development (broadly speaking until the mid-sixties), growth (about 7 per cent yearly) in industrial production was faster than growth in employment within the sector (1 per cent yearly). But in subsequent years industrial employment either did not increase at all (but with simultaneous industrial increases in productivity), or even decreased. Therefore, some economists⁴² have suggested calling this new kind of economic development "Jobless Growth".

To conclude, we can say that the main features of the new mode of production consist in: a) allowing increases in industrial production without visible increases in employment; b) displaying productivity increases in industry without increases in employment (and even with a fall of industrial employment). On the basis of these statements we may legitimately put forward two further observations. Firstly, it is necessary to note that the old Keynesian employment policies, based on the fostering of private and public investments, are gradually losing their effectiveness. Given the features of modern commodities' production it is possible to satisfy increasing volumes of effective demand with increasingly lower numbers of workers. Secondly, it is worthwhile rediscussing the "factors", as they are traditionally called, in economic development, which probably ought not to be sought merely within the industrial sector.

5. *The law of increasing returns, repetitive and intelligent labour.*

From the above remarks, it may be argued that the law of increasing returns would no longer work if, as Kaldor maintains,

⁴¹ For data on employment cfr. M. WEGNER, *The Employment Miracle in the United States and Stagnation Employment in the European Community*, Commission of the European Communities, Economic Paper n. 17, July 1983; and for productivity data cfr. A.D. ROY, "Labour Productivity in the 1980: An International Comparison," in *National Institute Economic Review*, 1982, n. 101, pp. 26-37.

⁴² R. ROTHWELL and W. ZEGVELD, *Technical Change and Employment*, Francis Pinter, London, 1979.

its existence is demonstrated by productivity increases related to employment increases. Indeed, we are faced with productivity increases per worker which are not matched by employment increases. This means that we must explain these productivity increases by causes other than those assumed in traditional doctrine, i.e. when productivity increases are strictly related to the size, in terms of employment, of the firm.

Clarification of this point needs to be made. In economic theory, by "increasing returns" we usually mean a situation where the unit cost of production of a certain commodity decreases, in the long run, when the volume of production rises. In the short run, the cost of production per unit of product could diminish merely for accounting reasons, when fixed costs are spread over a larger quantity of product. But this does not affect the long term behaviour of costs, where all factors are variable. In the long run, we can point to two fundamental causes for reduction in unit costs. The first relates to so-called *static returns to scale* which depend on the fact that, with no technological change, it becomes possible to use the disposable factors for a greater quantity of production in a more economic way (for instance, the production costs of a pipeline decrease as its length grows, given the machinery and the productivity of labour in use). The second relates to *dynamic returns to scale* where unit costs decrease because it becomes possible to organize work in a more efficient way when the volume of production increases, thanks to a better division of labour. The traditional doctrine tends to obscure or neglect this distinction and unsatisfactory explanations of the causes of increasing returns are usually put forward.⁴³ The issue is quite decisive in our analysis and it is

⁴³ The distinction between the static and dynamic formulation of the law of increasing returns was practically abandoned after J. VINER's treatment of the Marshallian cost curves ("Cost Curves and Supply Curves," in *Zeitschrift für Nationalökonomie*, III, 1931, pp. 23-46) which was immediately accepted by all economists. Viner carefully distinguished economies arising from distribution on the quantities produced of overall expenses (a mainly short-term phenomenon) from internal economies for large-scale production arising from the adjustment of plant to greater and subsequently produced quantities: in the long run there are no fixed costs. In this way, Viner was able to draw a long-term supply curve sloping down towards the quantity produced.

Difficulties arise as soon as we try to explain the "causes" of increasing returns. The debate in the thirties (mainly between J. Robinson, H. Chamberlain and N. Kaldor) showed that economists are inevitably tempted to "extend" short-term causes to long-term causes, ascribing the cause of

worthwhile re-examining it. We shall, of course, concentrate only on dynamic returns to scale, because any savings in raw materials, obtained with large scale production, are relatively independent of changes in the technique of production.

For this purpose, we may once more go back to Adam Smith's observations about the widening of the market entailing the possibility of a better division of labour and, therefore, a rise in productivity. The process of economic growth, Smith argued, occurs mainly through cumulative forces. Increases in the quantities produced (the widening of the market) allow a better subdivision of work operations; but when work becomes more specialized, its productivity increases. Further increases in total production, stimulating new growth, are thus possible, with a given workforce. Therefore, the pivot around which all economic activity revolves is the worker's ability to increase his efficiency when operations become simpler and more trivial.

The first observation, on this issue, is that an improvement in labour productivity is by no means an automatic event and requires, in fact, three different phases. The first is a mere enlargement of the productive layout: i.e. we add on one or more machines to the existing ones. In these circumstances, either new workers are taken on or new firms enter the sector (each with its machines and workers). At first, technology does not change and the skills required of every worker also remain unchanged. In a second phase, a certain reorganization of labour becomes possible, due to the increased number of workers gathered in the same place, belonging to a single firm or several interdependent firms. This is the phase in which new operations are entrusted to the workers with a view to making these new operations more trivial and repetitive, so that the labourer, as Smith says, "has no occasion to exert his understanding or to exercise his invention,"

increasing returns to a "indivisibility of factors", bringing the distinction between fixed and variable factors in again surreptitiously.

A restatement in "dynamic" terms of the law of increasing returns is more in keeping with traditional doctrine. A. Marshall, for instance, warned (*Principles of Economics*, Appendix H) against the attempt to bring in the concept of "margin of production" into the long-term analysis of firms with increasing returns. Moreover, he himself drew up an essentially dynamic law, as his attempt to draw an "irreversible" supply curve in the case of reduced production shows. Viner quite rightly pointed out that this is only possible when innovations are a function of the scale of production. But this is in fact the phenomenon discussed here, which can be represented only in an improper way by means of a long-term "static" curve, but the understanding of which is essential for proper definition of the law of increasing returns to scale.

and since his labour absorbs a great share of his day he "generally becomes as stupid and ignorant as it is possible for a human creature to become."⁴⁴ The highest degree of specialization of this technique of labour organisation within the factory was Taylorism, which applies a rigorous division of labour between those who organise it, using "scientific" knowledge that the worker does not master, and those who must materially carry the task out, without their having any say in the matter. In all cases, in this phase some organisational economies can be obtained within the firm (if the firm has already expanded or, in the case where there are a number of firms, the economy becomes "internal" only after a process of fusion or incorporation). This allows unit costs per product to decrease. The final phase relates to what is usually called technological innovation, i.e. the possibility of replacing already mechanized human labour in all its movements with a real machine, generally much more efficient than the worker. The law of increasing returns is therefore a kind of essentially dynamic law, which implies at least two subsequent innovations (the first is organizational in nature) and a widening of the production base. At the same time it gives a simple and clear explanation of the reasons underlying large productive conglomerates in industrial society and self-driving forces in economic growth during the mechanical age.

Breaking the law of increasing returns down into its component parts helps us to assess its importance in contemporary economies. With the advance of technologies and the automation of production processes, we may argue that the first two phases do not play a major role any more. Thanks to modern technologies, planning and construction of new machines or the discovery of new production processes are no longer based on a preliminary "mechanisation" of human work, which a previous specialisation turned it into monotonous and repetitive labour. To a certain extent, elimination of human labour occurred even in the past. But contemporary scientific knowledge offers an infinity of opportunities to eliminate human labour even if operations are of a non-repetitive and complex kind. Thanks to electronic and, especially, information processes we can now build effective robots. During the industrial age machines were conceived to be coupled with workers to increase their productivity: the industrial worker became nothing more than an appendix to the machine.

⁴⁴ A. SMITH, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Everyman's Library, London, 1964, vol. II, p. 264.

Nowadays, the machine can be planned for activities which no longer consist in an extension of repetitive labour, but in its complete substitution. Hence, technological changes are no longer strictly dependent on productivity and employment increases. This is clearly shown, for instance, by new biotechnologies which are causing a revolution in agriculture without there being in this sector, already reduced to a minimum as far as employment is concerned, any trend to concentrate and increase specialization in labour in advanced economies.⁴⁵

To conclude, technological change anticipates, rather than follows, productivity increases caused by the second phase of the reorganisation of labour. Turning the worker into a man-machine is no longer a necessary prerequisite of technicians', engineers' and scientists' intelligent and creative labour. The lack of any correlation between increases in employment (i.e. work labour) and increases in productivity is not a simple statistical anomaly: it stacks up completely with a specific potential characteristic of the new scientific mode of production.

6. *The role of the service sector and state as a productive force.*

These industrial changes are the result of a great development in the service sector. Without research, accounting, trade activities, etc., which have flourished in recent decades firms and the economy in general could hardly have escaped from the heavy organization typical of the industrial age. We might, therefore, be tempted to formulate a new law of economic development: the engine of growth is the service sector; countries showing the highest growth rate in the service sector also show the highest overall growth rate. Kaldor's laws would be turned upside down in their causal connections, if we agreed that "those countries with the fastest growth in services also have the fastest rate of growth in manufacturing."⁴⁶

The possibility of basing this kind of law on mere empirical data is, nevertheless, very doubtful. We may mention other evidence which does not tally with this law. Productivity in the

⁴⁵ On performances of new technologies during the phase of planning new machines and production see T.G. GUNN, "The Mechanization of Design and Manufacturing," in *Scientific American*, September 1982; on biotechnologies see F. GROS, F. JACOB, P. ROYER, *Sciences de la vie et société*, La Documentation française, Paris, 1979.

⁴⁶ This is in fact the result which emerges from the statistical relationship examined by J. GERSHUNY, *After Industrial Society? The Emerging Self-service Economy*, Macmillan, London, 1978, pp. 111-112.

service sector, insofar as it can be measured (and insofar as it is theoretically correct to do so), is lower than industrial and agricultural productivity.⁴⁷ The displacement of the labour force from agriculture and industry to the service sector should therefore lower the economy's overall growth rate, not increase it. On the other hand, this argument is sometimes advanced to explain the lower postwar growth rate of US GNP compared to Europe's and Japan's, even if the absolute level of per-worker productivity in the USA is still the highest in the world.

Indeed, to speak of the service sector as the new engine of economic development is misleading. The boom in the service sector is only a symptom of a much more complex phenomenon. It has been calculated that about half of the activities in the tertiary sector are supplied by manufacturing while the other half regards services for individual and collective consumption. The expansion in the service sector is therefore only partly an end in itself. It answers two great needs of modern society: on the one hand, a new division of labour in which "intelligent" activities become increasingly more important than the repetitive ones and, on the other hand, a change in consumption and welfare standards, which attempt to achieve a better "quality of life" and which can be met only with an appropriate public service framework (schools, hospitals, protection of the urban and natural environment, etc.).

It is worthwhile, in this respect, hinting at a problem which raised a number of lively discussions among classical economists and which resurfaces, albeit in a different guise, in the new post-industrial society, namely the distinction between productive and unproductive labour. Today, we could indeed rightly ask whether the service sector ought to be considered as productive. Quesnay, it goes without saying, only considered agricultural labour as productive. Adam Smith extended the ability to produce income to labour in the industrial sector, but he considered what we now call services (whether private or public) as unproductive. Marx maintained this distinction and applied it to the commercial sector which "does not create either value, or surplus-value." The controversy is not merely academic. In socialist countries the entire

⁴⁷ According to A. MADDISON, ("Long Run Dynamics of Productivity Growth," in *Banca Nazionale del Lavoro - Quarterly Review*, n. 128, March 1979, p. 31), who considers 16 industrialized countries in the 1950-1976 period, the average growth rate in productivity increases was 5 per cent for agriculture, 4.5 per cent for industry but only 2.2 per cent for services. In the same period, the average GNP growth rate was 3.9 per cent.

national accounting system is based on this distinction and the tertiary sector is excluded from total social income.

Today, in the light of the impressive boom in the service society we are forced to admit that the distinction between productive and unproductive labour is no longer really meaningful, since it affects entire sectors of economic life. Indeed, we can maintain, with some justification, that both workers directly employed in industry and workers "indirectly" employed in the service sector — including public services and consumption services, insofar as the "natural" level of wages already includes a share of that particular kind of consumption, which in many respects may be considered as necessary — contribute equally to net income production. However, it is not hard to appreciate that various service activities, like banking accounting, research, etc., are developing outside the industrial firm, but as an integrating aspect of a social division of labour whose major priority unshakably remains the production of commodities, indispensable both for direct and indirect satisfaction of needs via the service sector (hospitals need medical machinery to take care of patients, etc.). The industrial sector is essential to service production, in the same way in which the service sector is essential to ensure high productivity in the industrial sector. Hence, the warning about the so-called *de-industrialization* process is merely the consequence of a servile application of stale concepts.⁴⁸ The shrinking of employment in the industrial sector is by no means an economic disaster. The expansion of the service sector is nothing more than a particular form of modern industrial development.

Nevertheless, the discussion on productivity of the service sector cannot be rounded off without considering the function of the modern state in fostering scientific research. In the last century, List was able to describe the role of state as being a clearly productive force, thanks to its ability to create conditions favouring entrepreneurial development and modern industrial production. Since then, the tasks of the state in managing the economy have increased enormously. But economic theory is still unable to account for the fact that post-industrial society development would be impossible without massive state involvement in organ-

⁴⁸ Cfr. for instance R. BACON and W. ELTIS, *Britain's Economic Problem: Too Few Producers*, Macmillan, London, 1976; and F. BLACKABY (ed), *De-Industrialization*, Heinemann, London, 1979. The same criticism could be of course levelled at Kaldor, who was unable to see the productive role of the service sector.

izing scientific research. There are, of course, many levels and degrees of intervention. A very general level, which relates to research policy, i.e. the targets and size of research expenditure, depends primarily on the international role of the state. Today, the two superpowers greatly encourage research for military aims and for sectors which have an important impact on their attack and defence capabilities (e.g. space exploration). But even if military security is not directly concerned, the world dimension of the market already compels every state to take other states' achievements in advanced technology research into consideration. The results Japan obtained in electronics and data-processing are, for instance, a yardstick by which to measure the efficiency of investment in these sectors. The active intervention of the state in research policy is necessary because no firm can shoulder the entrepreneurial risks connected with an activity with extremely uncertain returns, in some cases over a very long period of time. The market is not able to cover these costs. Expenditure in scientific research is a typical case of public good. Today, we have different kinds of state intervention in the research field. The first method is direct intervention: this is the case of research for "big science", i.e. very expensive projects over a very long time span (nuclear fusion, for instance). A second method consists in state contracts with private firms: in this case the state becomes the customer of a certain project and shoulders the risks entirely. Thirdly, the state may finance a particular company's research costs entirely or partially and share the likely returns, according to a percentage agreed beforehand.

But, besides the way in which state may intervene to foster scientific research, we need to stress that modern advanced technological development has highlighted the problem of the size of the state. List himself observed that it was not possible to speak of "nations" in cases when they were not big enough to assure economic autonomy and political independence: Denmark for instance was not a nation for List. In the field of advanced research it is clear that we need an expenditure and organization capability which encourages even the two superpowers to collaborate on common projects (as in sub-atomic physics). For that reason, the lack of continental unity is the main cause of Europe's technological gap vis-à-vis Japan and the USA.

Finally, we need to observe that on the basis of the new role of the state as scientific research organizer it is possible to explain the seeming paradox we met in examining Kaldor's laws. Statistical evidence does not point any longer to a strong interplay between productivity increases and employment increases because

the main factor in economic development is the state as an advanced research organizer. Economists would certainly be uneasy with econometric research designed to find the new causes of increasing returns if they forgot to consider the state as a productive force. In our age, the market no longer holds the secrets of economic development as was the case in Smith's, Marx's, and Schumpeter's age.

7. *The firm and self-management.*

One important aspect of economic change brought about by the new mode of production relates to the structure of the firm.

On this subject, it is worthwhile examining Schumpeter's thesis regarding the steady and inevitable decline of the entrepreneurial function in a mature capitalist economy since this thesis is still widely accepted. Schumpeter diagnosed the capitalist system's slow agony due to its intrinsic inability to further the technological innovation effort, which is fundamental in fostering entrepreneurial initiatives. The fall of capitalism in a stationary state will be caused, Schumpeter argues, by the steady enlargement of industrial enterprises, by the transformation of competitive markets into monopolistic or oligopolistic markets and by the consequent bureaucratization of technological research in specialized departments inside the firm. The entrepreneurial function, which Schumpeter claims is essentially personal and innovatory, would therefore be crippled and its vital organs maimed. When a firm becomes a bureaucratic body its dynamic role on the market ceases. The market in its turn wastes away, being dominated by a few huge industrial conglomerates which have no incentive to innovate because nothing is left to conquer and no enemy is left to overcome. It is a state similar to the one where technology has reached unsurpassable perfection. "A more or less stationary state, affirms Schumpeter, would ensue. Capitalism, being essentially an evolutionary process, would become atrophic. There would be nothing left for entrepreneurs to do. They would find themselves in much the same situation as generals would in a society perfectly sure of a permanent peace."⁴⁹

Recent developments in the technological progress and its capillary diffusion in the economy would seem to contradict Schumpeter's pessimistic outlook and his prophecy of a decline in the entrepreneurial function. Schumpeter was concerned with

⁴⁹ J.A. SCHUMPETER, *Capitalism, Socialism and Democracy*, Unwin University Books, London, 1970, p. 131.

defining the ideal-type of the 19th century entrepreneur as a mythical demiurge capable of joining the world of scientific knowledge to human work so as to breathe new life into them. But this function of organizing scientific research, as we have seen, has been taken over by the state — though this does not, of course, mean that technological progress stops, or that the entrepreneurial function fades away. In the first place, experience shows that those states which are able to organize advanced research at the highest level are also in a position to get the maximum productivity from technological progress in the economy. But, in the second place, it is not true that the entrepreneurial function must be limited to advanced research. In modern societies, with a high degree of formal education, technological and scientific knowledge is no longer an attribute of a little club of initiates. The figure of the entrepreneurial innovator as an extraordinary individual is fading away because everybody can become an entrepreneur. With the achievement of the scientific mode of production the innovative function will become increasingly widespread and "popular." Indeed it consists in the individual ability to organize and co-ordinate human labour efficiently in the pursuit of a common target, accepting, in the case of a private firm, the risk of bankruptcy. Of course, the common target will remain the highest profit, which is the best measure of a firm's ability to compete on the market.

We need to revise Schumpeter's prophecy when we take a second aspect into consideration. The tendency to develop huge scale industry is probably a vestige of the old mode of production. It is conceivable that small and average size firms will be able in the future to outstrip the giants of the past in terms of efficiency. The existence of the big enterprise depends on two circumstances. Firstly, on the technological factor, i.e. on the working of the law of increasing returns which makes large-scale production more convenient with a great concentration of workers and an extreme specialization of labour. Secondly, on the financial factor, i.e. on the usefulness of concentrating more productive units under a single owner and management, even if the technological factor does not exist. The tendency towards financial concentration is the result of efforts either to control a larger market share or to limit competition and price fluctuations.

Currently, there is some evidence of a turnabout. Even in the car sector, the giant industry *par excellence*, the technological factor has not developed with the same drive as in the past towards an enlargement of existing firms. Generally, we can observe, however, that modern technologies of information allow

a widespread diffusion of productive processes in the direction both of a territorial diffusion and a splintering of the work unit. Many operations, not so long ago made inside the factory, are now made by a myriad of little firms working in the service sector. But the fundamental factor which will decide the optimum size of the firm will be the kinds of labour which will agree to bring together their efforts to attain the firm's targets. Some time ago the size of the plant (for instance, an assembly line) determined *a priori* the number of workers to be employed. In the future, the functional dimension of the team of technicians and specialists who take the decision to join their efforts in a common economic activity will be increasingly decisive. Since a factory without manual workers is already conceivable, the volume of the means of production will become the "variable" factor in the firm. In the modern enterprise individual ability and scientific knowledge are much more important by far in comparison with the passive and idle contribution of capital and unqualified labour.⁵⁰ Of course, this trend will assert itself completely only if all the financial obstacles which hamper it are removed. To this end, the banking system must not discriminate when handing out credit by favouring already existing large enterprises. Equally it is vital to end the uncertainty, risk and financial disorder which currently exist internationally, which have driven enterprises to create big multinational empires in order to get round the limitations created by the absence of a world economic order.

The main feature of the new firm will be self-management, which should not be interpreted, however, in terms of the old 19th century meaning of worker self-management. Self-management implies the disappearance of the distinction between managers and those managed. That dichotomy was based on the solid foundation of the division between intellectual and manual work. In the traditional system, as Taylor quite rightly explained, "even if the workman was well suited to the development and use of scientific data, it would be physically impossible for him to work at his machine and at a desk at the same time. It is also clear that in most cases one type of man is needed to plan ahead and an entirely different type to execute the work."⁵¹ Since then, the situation has changed and today we can certainly affirm that the same man, sitting at his desk, can control the machine which

⁵⁰ For similar conclusions see R. FUCHS, *The Service Economy*, NBER, New York, 1968, p. 196.

⁵¹ F.W. TAYLOR, *The Principles of Scientific Management* (1911), The Norton Library, New York, 1967, p. 38.

is making the work which he has planned. For that reason, in the modern factory it would be more correct if we spoke about co-operation and not division of labour. The kind of relationship which will be created among the members of the same firm is indeed based more on the recognition of each other's knowledge and skills than on the power of the capital share. It will be therefore necessary to adapt the 19th century juridical forms of company partnership, which granted wide powers to the capitalist, to the modern entrepreneurial reality, so that some more egalitarian juridical form arises, such as the co-operative, which seems more appropriate. In socialist countries, like the ones in Eastern Europe, the same result has to be achieved by the opposite route: i.e. by allowing everybody to join or create a co-operative using his own or credit capital.

8. *Labour time and free time.*

The social impact of the technological and scientific revolution is of great significance and cannot be dealt with exhaustively here. To understand how deeply the scientific mode of production will affect the material condition of modern men's lives we need merely recall how a new conception of town planning — in which the distinction between city and country and between core and periphery disappears — becomes conceivable. Here it is possible only to hint at a narrower though vital concept: the reduction in working hours.

In this connection, nevertheless, we need firstly to reject the thesis of scholars who either undervalue or deny the importance of reduction in working hours. For instance, H. Braverman⁵² maintains that the technological progress and automation do not lead to progressive freedom from work but on the contrary increase its degradation and subordination to capital's power. For Braverman, who is not able to rid himself of such old-fashioned categories as the "capitalist mode of production", the boom in the service sector and creeping automation in market economies will merely change the form, but not the substance, of the antagonistic relationship between capital and work. Automation has no other effect save that of depriving the worker further of his residual creative potentialities, already devalued when industry replaced artisan labour.

⁵² H. BRAVERMAN, *Labor and Monopoly Capital. The Degradation of Work in the Twentieth Century*, Monthly Review Press, New York and London, 1974.

Braverman's thesis lays itself open to empirical attack. The increasing demand for jobs corresponding to the higher level of education attained by young people and the possibility of satisfying this demand mainly through either the expansion of the service sector (the only one growing in modern economies) or industrial jobs which are in any case more "intelligent" than traditional ones, raises some doubts about the existence of the continued "degradation" of labour.

But the essential point lies elsewhere. It is an innate feature of vulgar Marxism to restrict social life to the class struggle. In such a way, the categories of "capital" and "labour" assume an a-historical and eternal dimension so that we perceive incurable contrasts even where they are disappearing. The automation of productive processes by definition eliminates "stupid" (in Smith's meaning) labour at the same time as it creates "intelligent" labour: the question is, therefore, whether it is possible to achieve rational control of that process and how society can obtain the maximum wellbeing. The prospect of increasingly freeing mankind from hard work cannot be refused *a priori* as a devilish capitalist plot designed to illude workers in order to exploit them better.

What Braverman refuses even to take into consideration was already foreseen and analyzed by Marx himself, even if, needless to say, only in its more general and abstract aspects. In the *Grundrisse* we can find an *ante litteram* description of post-industrial society and the new condition of labour free from the obsessing repetitiveness of the industrial factory. The great significance of an automated productive process lies in its ability to reduce the social need for specialized and "stupid" labour to a minimum. As compared with the old industrial system we should identify the great productive potential of the scientific mode of production precisely with this fact. "Saving labour time is tantamount, says Marx, to an increase in free time, i.e. the time devoted to the full development of the individual, development which in its turn reacts, as the highest productivity, on labour productivity... Free time — which is both leisure time and superior activities time — has, of course, transformed its holder into a different subject, and it is as a different subject that he afterwards participates even in the material productive process."⁵³ We are therefore confronted

⁵³ K. MARX, *Grundrisse der Kritik der politische Ökonomie*, Dietz Verlag, Berlin, 1953, p. 599.

with a real reversal of economic categories: "labour time is no longer the measure of wealth, but leisure time."⁵⁴

In the hunters' and fishermen's society, the standard of living of individuals is extremely precarious because they are exposed to nature. All human energies are spasmodically engaged against the external and adverse forces of nature: it is a case of life or death. With stock raising and permanent agriculture, human conditions clearly improve. Towns are built and theoretical activities can flourish. Later on, crafts and, on that basis, the first forms of capitalist production developed. But freedom and welfare once more belonged to few people: serfdom was a structural factor which accompanied human history from antiquity to the modern age (even if camouflaged, like peasants in the Tzarist empire). With the industrial revolution the new urban proletarian class was born. The proletarian condition consisted in being juridically free, but in fact subjugated to the hard law of factory work under the power of the capitalist bourgeoisie. The situation now in sight is profoundly different. With the new scientific mode of production the possibilities of freeing labour from alienating and repetitive tasks are practically boundless. There are no obstacles in principle to the complete automation of production processes and there are no limits to the quantity of energy available in nature, thanks to potential exploitation of renewable energies (nuclear fusion and solar energy). For the first time in history it is therefore possible to think of a society without class and individual exploitation. "If shuttles could weave alone, if plectrum itself could play the zither, said Aristotle, then employers would be able to do without workers, and masters without slaves." And that is the condition of modern man who is at last able to let the loom weave and the zither play by means of "intelligent" machines.

Human labour will never stop being hard and painful, because even writing a novel or discovering a new chemical formula requires strain and sacrifice. But the novelist and the scientist will enrich their personality by their work. In the future, human labour will be productive and useful to society only when matched with creativity and self-education of individual. The scientific

⁵⁴ K. MARX, *op. cit.*, p. 596. Agnes Heller, who has cleverly reconstructed the world of freedom from hard work of the *Grundrisse* writes: "The true wealth of man and society is created not by working time, but by *free time*. Therefore the social wealth of the 'partnership producers' is not measurable in terms of work time but in terms of free time" (A. HELLER, *La teoria dei bisogni in Marx*, Feltrinelli, Milan, 1978, pp. 114-115).

mode of production frees men from manual labour, not from work *tout court*, because, as we have already said, work is also the toil which matches intellectual creativity and which must be considered as essential to human nature, if it is true that what drives men towards knowledge has a moral basis. But it is important to acknowledge that in our age planning, i.e. the rational organization of social life, can at last place the goal of emancipating man from material and "stupid" work on history's agenda. We are, therefore, on the threshold of a new world in which man's old dream of "freeing himself from need," vainly pursued since the very beginning of his passionate struggle against "niggardly and harsh" nature, really seems to be on the point of becoming a reality.

Notes

JEAN ROUS AND FEDERALISM

1. Born in 1908 in Prades, the son of Catalan peasants, Jean Rous died on February 21st, 1985 in Perpignan, a few weeks before the thirtieth anniversary of the Bandoeng Conference in which he had taken part.

In his obituary, Senghor wrote: "All Africa is assembled here today to pay her last homage to Jean Rous, the socialist militant, but also the writer, that is to say the humanist of the civilisation of the universal."

Béchir Ben Yahmed, the director of the French language weekly *Jeune Afrique*, had written a few years earlier in his preface to one of Rous' books¹ *Itinéraire d'un militant*: "Too

¹ Jean Rous published various works, notably, those which interest us, biographies of his friend Léopold S. Senghor (*Léopold Sédar Senghor, un Président de l'Afrique nouvelle*, John Didier, Paris, 1967) and biographies written of people he considered, in addition to Jaurès, his spiritual fathers, Trotsky and Tito (both published by Martinsart, in the collection "Les grands révolutionnaires", Paris, 1978). In addition, he wrote many articles and studies in many reviews, throughout his militant life which lasted for more than 6 decades. Some of these have been republished in three volumes: *Chronique de la décolonisation* (Présence africaine, Paris, 1965), *Itinéraire d'un militant* (Jeune Afrique, Paris, 1960) and *Tiers-monde: réforme et révolution* (Les Nouvelles Éditions Africaines, Présence africaine, Dakar/Paris, 1978). Finally, he published, at the end of his life, in collaboration with Dominique Gauthiez, *Jean Rous, un homme de l'ombre* (Cana, Paris, 1984). At the moment of his death, he was completing a work on federalism and the Catalan revival; the manuscript has been sent to the *Union régionale catalane*. This manuscript would have been important for a greater understanding of the man and his perception of federalism.

few people know that in France this man was the teacher and guide for all those who, today, occupy a position of responsibility in the Third World."

It is important not to forget that during entire his life Rous never ceased to proclaim himself a federalist and affirm his faith in the advent of the world federation and a true international democracy. His extraordinarily rich and eventful life led him firstly towards militant responsibilities in the extreme socialist left, then to the IV International at the side of Leon Trotsky from 1934 to 1939, then to certain Resistance movements such as Libérer-Fédérer and, finally, after 1945, towards the attempts in France to "renew socialism" and freedom movements of colonized peoples.

2. In the middle of the 19th century, an organised trade union movement grew up in Barcelona (under the influence of different utopian socialist schools in the French tradition of Saint-Simon, Cabet and Fourier) at the same time as the Federal Republican Party which was very successful with the politicised working-class masses in Catalonia, the cradle of the Spanish industrial revolution.

*In 1868, a few years after the creation of the International Workingmen's Association in London by Karl Marx, the overthrow of Isabella II, Queen of Spain, opened up a period of freedom during which working class forces were able to emerge from their clandestine activity. In December 1868, the Dirección Central de las Sociedades Obreras de Barcelona held a congress in Barcelona and declared its support for a Republican and federal government. In his book *Federalismo, anarcosindicalismo y catalanismo*, Josep Termes wrote that "during these first post-revolutionary years (1868-1870), the Republican and federal ideology (substantially the creation of F. Pi i Margall) dominated in active working class circles, and that, among the proletarian classes, in Catalonia at least, it co-existed with anarchism and anarcho-sindicalism till the end of the Civil War in 1939."²*

In the autumn of 1869, the federal Republicans in Catalonia, the Valencia region and Aragon rose against the new monarchic constitution. The uprising's failure marked the beginning of the split between federal Republicanism and the revolutionary working class movement. Besides, the defeat of the Paris Commune in 1871 and the repression that followed resulted in a hardening of anti-socialist repression in Spain and led the Spanish section of

² Ed. Anagrama, Barcelona, 1976, p. 10.

the First International to lump Monarchists and Republicans together, so that the rift between federal Republicans and the majority of the International kept widening.

The Spanish political revolution, which began with the overthrow of Isabella II, culminated with the proclamation of the First Republic in 1873. It lasted less than a year, ending at the beginning of 1874 with a military coup d'état which proscribed federalism and internationalism.

Spanish federalism suffered a serious setback with the failure of the First Republic and the discredit that ensued: "the Republic's domination by federalists in 1873 was followed by their modest representation in the constituent Cortes in 1931."³

This brief historical survey brings out the role played by federalism in Spain, and in Catalonia in particular, in the second half of the 19th century and the beginning of the 20th, i.e. in the years immediately preceding Rous' birth. He himself stressed the impact that one of his uncles had on him: this uncle became a socialist deputy in 1932 and Rous was his parliamentary assistant until his adhesion to Trotskyism in 1934: "during my adolescence, he made me read Proudhon. He also taught me to be faithful to certain Catalan values."⁴

Attachment to his native Catalonia and reading of Proudhon are without doubt the sources of Rous' federalism. Other values were to be added only later as a result of his militant activity. "My attachment to Catalonia is authentic. In Paris, from 1928 onwards, I was friend with the team of Colonel Macià. This Colonel Macià was tried for having organized a plot against the Spanish monarchy. He wanted to set up a Catalan Republic. Time has merely confirmed me in this direction: today, in 1983, it seems to me that all economic division is a step backwards. The important point is to safeguard unity within diversity, whether this is within a French context or within an Iberian federation. As for the fusion of the two Catalonias to form a state independent from both Spain and France, this would seem to me to be totally utopian for the moment."⁵

*Rous made it clear that his socialism, described by André Fontaine in *Le Monde* on January 25th, 1984 as humanist, autogestionnaire et fédéraliste, originated with the French utopian socialists: "There are in old French socialism prophetic premoni-*

³ See: GUMERSINDO TRUJILLO, *El federalismo español*, Cuadernos para el diálogo, Madrid, 1967, p. 210.

⁴ J. ROUS, D. GAUTHIEZ, *Un homme de l'ombre*, op. cit., p. 14.

⁵ *Ibid.*, p. 19.

tions inspired by a deep instinct for freedom. Proudhon and Fourier gave early warning of the dangers of statism and bureaucracy. They foretold this kind of totalitarian barbarity which we have suffered and whose consequences we still suffer. They have shown us its necessary and indispensable counterweight: free associations.”⁶

Rous also wrote: “The great positive demand that dates from Proudhon is the demand for self-management: an old militant like myself took up this demand in Spain in 1936, in 1947 in the SFIO (Section française de l’Internationale ouvrière, i.e. the French Socialist Party) and in 1948 in the Yugoslavian experience.”⁷

Involved in the Trotskyist movement from an early age, Rous did not allow himself to be pinned down by an exclusive, narrow and sometimes reactionary cult for Proudhon, which has often paralyzed and harmed the federalist movement in France. He pointed out the limits of French utopian socialists when he wrote: “There can be no doubt that their system, in its utopian and reactionary form, is completely outdated.”⁸

3. Rous explains to us in his introduction to *Itinéraire d’un militant that he adhered to Trotskyism as a reaction against fascism*: “I joined the ‘Trotskyists’. They seemed to me, at least through the writings of Leon Trotsky, as the most radical supporters of the anti-fascist workers’ alliance”. A young supporter of Trotsky’s tendencies in the SFIO, he met Trotsky in February 1935 and it was in his home in Paris in 1936 that the International Communist League’s Bureau met to decide, in the absence of Trotsky, who was in exile in Norway, to create the “Movement for the IV International.”

Rous, who later wrote that “marxism... is not a dogma or even a system, but a method of investigation”⁹ found new ideas in Trotskyism with which to strengthen his federalist thinking. In agreement with what Trotsky wrote in his *The Permanent Revolution*, Rous felt that the socialist revolution “begins on the national borders, but cannot remain there,” that it “can only be maintained within the national framework as a temporary mea-

⁶ J. Rous, « Le socialisme et les nouvelles perspectives », *Esprit*, n. 9, August 1945.

⁷ J. Rous, D. GAUTHIEZ, *op. cit.*, p. 292.

⁸ J. Rous, « Le socialisme et les nouvelles perspectives », *Esprit*, n. 9, August 1945.

⁹ J. Rous, *ibid.*

sure”. Rous himself wrote in 1971 that “socialism presupposes an area of development with at least a continental character which goes beyond national frontiers.”¹⁰

When Rous observed the USSR in the wake of the Second World War, he wrote that “Russia federates autonomous republics, but holds them on a leash both politically and economically”¹¹ and that, moreover, the “regime is the by-product of a proletarian revolution which failed as a result of a number of bureaucratic deviations, which were often the consequences of its suffocation in the framework of national confines.”¹²

At the end of the Resistance Rous remarked that “the state-run economy within national confines contains as many dangers of conflagration as monopolist capitalism itself... To a large extent, national autarky exacerbates the contradictions and gives rise to the permanent danger of war” and, hence, “all attempts to depart from the national framework must be considered by Marxists as progress towards federalism which widens the arena of social struggle and will, subsequently, facilitate the federation of the peoples on socialist lines.”¹³

Meanwhile, Trotsky had been assassinated and Rous tells us that his Trotskyism was transformed into a kind of “Titoism before its time” considering that, from this moment on, the entire socialist left struggling against Stalinist totalitarianism more or less consciously borrowed from Trotskyism.

4. During the occupation of France and the Resistance, Rous was successively a militant in two movements. The first was the Mouvement National de la Résistance (MNR), founded in Paris with other left-wing and extreme left-wing militants, which “offered an answer to the national problem, when we were mired, some in pacifism, some in ethereal internationalism. So as not to burn our bridges with internationalism, we felt that the most practical form was federalism: we needed to respect the independence of nations so that they could, in time, come together in larger bodies.”¹⁴ Two years later he took part in Libérer-Fédérer,

¹⁰ J. Rous, *Tiers-monde: réforme et révolution*, *op. cit.*, p. 97.

¹¹ J. Rous, « Peuples dépendants et puissances coloniales devant l’ONU », *Esprit*, n. 4, April 1950.

¹² J. Rous, observations on a study seminar held by the French Socialist Party in July 1947, *La Pensée socialiste*, n. 16, July-August 1947.

¹³ J. Rous, « Le socialisme devant le capitalisme d’État, nouvelle étape du capitalisme », *La Pensée socialiste*, n. 16, July-August 1947.

¹⁴ J. Rous, D. GAUTHIEZ, *Un homme de l’ombre*, *op. cit.*, p. 80.

a movement founded in the Toulouse region thanks to the efforts of an Italian booksop owner, an anti-Fascist refugee, Silvio Trentin, a former Italian member of Parliament for the Democrazia Sociale party from 1919-1922.

Rous, who had taken refuge in Lyon, collaborated with L'Insurgé in this period, following this group's merger with Libérer-Fédérer in March 1944 to form the Mouvement révolutionnaire socialiste. He wrote different studies for the clandestine cahiers of Libérer-Fédérer, some of which were republished after the Liberation by the Rhône Federation of the French Socialist Party.

Rous later wrote in his book with Dominique Gauthiez: "The movement (Libérer-Fédérer) interested me immediately because it recalled certain ideas of the MNR: it was federalist and at the same time advocated self-management; it was anti-Nazi without being anti-German. It promoted the idea of a European federation and regional autonomy within France... Its theoretical contribution was far from negligible. We plunged into the major task of drawing up a doctrine using, among others, the personalist ideas of Emmanuel Mounier as our source of inspiration: I even joined Esprit that he ran in 1944."¹⁵ In 1945, like other members of Libérer-Fédérer he became a member of the SFIO and participated, either within or on the margins of the movement, in various attempts at "renovation of socialism".

5. Also dating from this immediate postwar period is Rous' "adherence" to Titoism which "arising from a national reflex... showed that internationalism could lead to a sort of federalism of national movements instead of a centralized headquarters favouring the expansionism of the strongest nation."¹⁶

His adherence to Titoism was motivated, in addition to the principle of self-management, by his agreement with Yugoslav communists' ideas who said that "two basic processes determine the social development of mankind today as a whole. We have, on the one hand, a process of centralisation, unification, fusion and interdependence, increasingly on a world scale, arising with the state and the expansion of production forces and from the need to widen, intensify and plan the international division of labour. We have, on the other hand, a process of reinforcement of the autonomy of individual entities (individuals, peoples),

¹⁵ *Ibid.*, p. 82 et 83.

¹⁶ J. ROUS, *Itinéraire d'un militant*, op. cit., p. 265.

different social activities, and, hence, the need to decentralize them according to the degree of socialization and the process of work itself, and the need to promote socioeconomic relationships between men. Both these processes are merely two inseparable sides of the same general social process." For this reason it is appropriate to envisage means of going beyond the nation "by means of the development of production forces and a higher level of human civilisation in agreement with these new production forces of mankind." Consequently, "the principles of self-determination and the equality of rights of nations should not be merely transitory policies or purely democratic principles. They must be considered, on the contrary, as an indispensable subjective and objective condition, without which it is impossible to progress normally towards socialism and to bring the process of rapprochement and authentic integration of nations to a successful conclusion."¹⁷

Finally, from the experience of war, Rous acquired a clear understanding of the failure of workers' internationalism.¹⁸ "A hundred years later, the International has not yet become mankind... Oppression, war and the threat of war, poverty have not been banished for ever from the surface of the earth... When we consider summarily the history of the different Internationals, we notice that they went to smithereens under the effect of crises caused by the national needs of the different countries."¹⁹

6. When Rous, with Jean-Paul Sartre and Léopold Sédar Senghor among others, founded the Rassemblement démocratique révolutionnaire whose 1948 manifest placed their action "with all those who work towards the unity of Europe and the world"²⁰ and when he writes in *La Pensée socialiste* in 1947 "the true programme must be to found a new democracy (...) enabling producers and consumers to manage their own affairs, creating the French Union as a free association of peoples, or federating

¹⁷ EDOUARD KARDELJ, « La nation et les relations internationales », in *Questions actuelles du socialisme*, quoted in J. ROUS, *Tito*, op. cit., p. 405.

¹⁸ For a federalist analysis and criticism of the myths of internationalism (and Marxist internationalism in particular) see: LUCIO LEVI, « Marx ed Engels e l'internazionalismo », Chap. 2, in *Crisi dello Stato nazionale, internazionalizzazione del processo produttivo e internazionalismo operaio*, Stampatori, Turin, 1976.

¹⁹ J. ROUS, « Réflexions sur le centenaire de l'internationale ouvrière », *L'Unité africaine*, n. 121, October 1964.

²⁰ « 1948 - Manifesto of the Rassemblement démocratique révolutionnaire », in J. ROUS, *Itinéraire d'un militant*, op. cit., p. 143 to 145.

nations by continent so as to move towards the United States of the world" their inspiration may be qualified as federalist and as having a "world governmentalist" outlook.

With the end of the Second World War and the ensuing collapse of the European system of states, decolonisation was placed on the agenda and made inescapable. Rous dedicated the rest of his life to this issue. He was among the first to criticize the French policy in Indochina and acted principally as General Secretary of the Congress of Peoples against Imperialism between 1948 and 1955, then from 1960 to 1968 as counsellor to Senghor, the President of Senegal. In the sixties he became a member of the World Association of World Federalists and attended different meetings on UN reform. From 1948, the Congress of Peoples took up positions on the question of the Middle East and affirmed that the solution to the Israel-Arab crisis could only be federal; Rous did not depart from this basic position and in agreement with Pierre Mendes-France 25 years later he was behind the first contacts between Palestinians and Israel doves.

Rous was convinced that postwar Europe "must break with colonialism, to serve both democracy and its own interests at the same time. Otherwise, it will lose all influence in Africa and Asia and will in its turn become a colony."²¹ This analysis led him to consider (as he subsequently stated later in *Tiers-monde: réforme et révolution*) that the Euro-African bloc corresponded to an unquestionable reality and that colonial ties can and must be turned into a form of association in which dependency and inequality are replaced unequivocally by co-operation based on equality. In 1951, in collaboration with Ronald Mackay, the socialist MP and former Federal Union general secretary before the Second World War, he was among those who proposed the Mackay Plan to the Council of Europe.²² He explained it thus: "A proposition of federalist inspiration, designed to create a joint European-African commission where the delegates of both continents would be represented. The goal was to prepare the independence of African states, their federation, and to organize, subsequently, close co-operation between Europe and Africa."²³ But Europeans showed no interest in this project which represented

²¹ J. Rous, «Peuples dépendants et puissances coloniales devant l'ONU», *Esprit*, n. 4, April 1950.

²² On the role of Ronald Mackay in Federal Union see the article by CHARLES KIMBER, «The Birth of Federal Union», in *The Federalist*, XXVI (1984), p. 206 to 213.

²³ J. Rous, *Senghor, op. cit.*, p. 28.

"in principle, the only possibility of co-operation beyond colonialism" and which had been accepted with hope "by the colonial peoples, in their main movements of North and Black Africa."²⁴ Rous participated in the Afro-Asiatic Conference at Bandoeng in 1955, with representatives of 24 countries, which marked the birth of the Third World at the same time as it condemned European colonialism. He represented the Congress of Peoples against Imperialism, which had been founded a few years earlier with the approval of Gandhi, and was Senghor's official observer, at that time a Secretary of State in the French Government.

Elected President of Senegal, Senghor was later on the only statesman to give him an official capacity, however modest, as an advisor. In this capacity, Rous spent 8 years in Africa and took part in the most important Third World conferences until his return to France during the May 1968 troubles.

In Senegal's socialism he saw an essentially innovative experience and wrote in *L'Unité Africaine*, in April 1961, that this experience "participates in this worldwide renaissance of federalism, which we are experiencing both as regards domestic and international federalism." A spectator at the first faltering steps for the African unity movement, he saw independence and unity as the two driving forces in the African revolution, independence being the reply to colonial oppression, and unity the answer to the arbitrary carve-up of the 1885 Berlin Congress.

In 1963 he took part in the Addis Abeba Conference where the Organisation of African Unity was set up, and subsequently in the 1964 meeting in Cairo. He fought hard to reconcile the positions of Senghor and Nkrumah, "the prophet of African Unity." Pondering over these facts, he wrote later: "The stage where Africa was, only recently and partly decolonized, could not permit either total revolution or immediate unity. De facto those who wanted to do everything and at once sinned by their impatience, broke their necks and disappeared from the political scene."²⁵ We now know that, the line advocated by Nkrumah

²⁴ J. Rous, « Suggestions pour un redressement de la politique coloniale de la France », *La Nef*, n. 75-76, April-May 1951. Also of interest is JEAN Rous, «The Sophistry of Colonialism», in *Common Cause*, vol. IV, n. 3, October 1950, p. 154 to 161 (published by the Committee to Frame a World Constitution, the so-called Committee of Chicago) in the conclusion of which he makes explicit the reasons which brought the Congress of Peoples against Imperialism to work jointly with the World Association of World Federalists. In the same issue is the text of the Mackay Plan (p. 162 to 166).

²⁵ J. Rous, *Tiers Monde: réforme et révolution, op. cit.*, p. 52.

not having been followed, Africa is, de facto, always tragically divided and subject to the imperialism of the superpowers.²⁶

Rous, who stressed the complementary nature of and need for Euro-African solidarity, equally supported the exemplary nature of the process of European unification. He was pleased with the Yaoundé and Lomé conventions in which he saw limited but concrete progress in the "constant movement of Africa for its economic freedom" and that Europe with its imperfections, hazards and vicissitudes has opened "the march towards regional unions." Certain regional unions were inspired, he wrote, "by European organization, juridically at least. In this parallel development, the Africa-Europe dialogue has revealed a new type of regional co-operation of which the Lomé agreements, despite their imperfections, are an example. Thus, by means of regional unions, a new network of relationships has grown up between peoples, which represents a step on the road to unity and is a counterweight to superpowers."²⁷

7. It may seem a little strange that Rous wrote so very little *stricto sensu* on European questions and took such little part in specific struggles for European federation when we consider that, during the Resistance and the struggles for decolonisation, he never tired of referring to the values of federalism, defined variously as "union in diversity," "independence within interdependence" or "organised pluralism." Nor did he tire from stressing the necessarily federal nature of the solutions for the future, whether it was a question of the reconstruction of Europe, the establishment of the French Union, peace in the Middle East or the necessary reforms of the UN Charter. In 1947 he participated, however, at the creation of the Committee for the United Socialist States of Europe²⁸ with other socialists (who came principally from the left wing of the SFIO and the British Independent Labour Party).

²⁶ For a federal analysis of decolonisation, see the book by GUIDO MONTANI, *Il Terzo mondo e l'Unità europea*, Guida, Naples, 1979. Also see his anthology of federal texts by African leaders Senghor, Nkrumah and Nyerere, while noting that Rous seems to have overlooked the latter, who had, on the other hand, seen the planetary dimensions in federalism beyond the mere resolution of problems of the African continent, and perhaps even more so than Senghor, whose ties with world federalists were anyway never disowned.

²⁷ J. ROUS, *Tiers monde: réforme et révolution*, *op. cit.*, p. 55.

²⁸ On the creation of the USSE and the ties of the Socialist Movement for the United States of Europe with the Congress of Peoples against Imperialism on the one hand, and the UEF and the other federalist organisations, on the other hand, see the note published by R. GARROS, in *Esprit*, n. 150, November 1948, p. 635 to 638.

Even though Rous fully accepted that "within the national framework which is historically outmoded, it is not possible to bring about a true change, that the outmoded structure of the nation-state inevitably leads to outmoded forms and formulae in all fields, and that therefore all revolutionary effort used in this field is necessarily and a priori destined to failure,"²⁹ he nevertheless considers that "the idea of the necessary end to national antagonism is not an original idea or one that belongs to socialism" and that "the entire question is thus to know whether the unity of the world will be accomplished so as to consolidate capitalism or to achieve a socialist order."

In those days he considered that "European federation such as Churchill wanted it could easily be the western bloc with a reactionary orientation. Socialism thus should not have any responsibility in these initiatives... It is indispensable not to create confusion in objectives, in programmes, in flags and classes, by joining the same federalist movement, made up of bourgeois and reactionary groups, in a cartel... In conclusion, the Socialist Party must lead the campaign for European unity, but would not do so in any union with capitalist groupings."³⁰

Despite his friendly and militant ties with some of the former Federal Union leaders he does not seem to have had any knowledge of the teaching of British federalists between the two wars. Equally he does not seem to be aware in the 1950s of one of the basic tenets of the Ventotene Manifesto written in 1941 by Altiero Spinelli and Ernesto Rossi. "The line of demarcation between the progressive parties and reactionary parties thus no longer follows the formal line of greater or lesser democracy or socialism; it is the essential line, the most recent one, which separates those who consider the former goal, the conquest of national political power, as the political goal who will involuntarily help reactionary forces by letting the incandescent lava of popular passions solidify in the old mould and letting old absurdities reappear, and those who consider the creation of an international stable state as an essential task and who will thus direct the popular forces towards this objective and who, after having conquered national power, will use it primarily as an instrument to achieve international unity."³¹

²⁹ HENRI BRUGMANS, President of the UEF, in *Esprit*, n. 150, p. 625.

³⁰ J. ROUS, « Socialisme et fédération européenne », in *La Pensée socialiste*, n. 19, 1948.

³¹ ALTIERO SPINELLI and ERNESTO ROSSI, « Il Manifesto di Ventotene », latest republication in ALTIERO SPINELLI, *Il progetto europeo*, Biblioteca federalista, Il Mulino, Bologna, 1985, p. 30.

Rous' limited specific involvement in Europe was not, however, due to indifference. His European faith did not change from the days of the Resistance. He was Jean Monnet's personal guest at the ceremonies marking the creation of the ECSC in Luxemburg and later expressed his regret in *Un homme de l'ombre* at the failure of the EDC. In the same work, comparing it with Africa, which had just achieved its independence and which had just begun the march towards continental unity, he expressed regret that Europe, 25 years after the creation of the Common Market, had been as yet unable to equip itself with any valid political institutions, that it was dominated by big international companies and that the European Assembly was, in his eyes, only a forum.

It is once again clear that a certain faith in the spontaneity prevented Rous from seizing another fundamental point which would probably have led him to become more deeply and actively involved in European federation. Indeed, even though federalism can only be fully achieved at the world level, its construction can only be brought about as this review recently pointed out "through a process, which must begin in a precise place, where it must create a model with the capacity to spread through the rest of the world, just like another model, the national state, which originated in Europe, did."³²

Nevertheless, in the last months of his life, Rous once again responded to the call of history when the second historical chance (after the battle for the EDC) arose to found the European federation, namely the European Parliament's Draft Treaty establishing the European Union. It was then, two years after contacts by means of correspondence, that we met him and discovered in him a friend so close to our ideas but utterly ignored by French federalists. He immediately agreed to sign the appeal for the European Union published a few days before in *Le Monde*. Though he had not had any strong contacts with organized federalism in France for many years, he wrote spontaneously in *L'Indépendant de Perpignan*, the leading North Catalonia newspaper, that "if this project was to be ratified by national parliaments, it could be said that Europe, in the extension of the Treaty of Rome, has taken a giant step forward in the declaration of its existence as an entity which is independent from the great power blocks."

Jean-Francis Billion, Jean-Luc Prevel

³² « A decisive battle », *The Federalist*, XXVI (1984), p. 177.

KEYNESIANISM AND WELFARE ON AN INTERNATIONAL SCALE: REMARKS ON A WORLDWIDE PLAN FOR EMPLOYMENT AND DEVELOPMENT

From the beginning of the seventies suggestions have been put forward in various quarters about launching a "Marshall Plan" for the Third World, designed to speed up the development of the South considerably and to provide new employment and income prospects for advanced countries.

Suggested initially by a few pioneers, this new aid plan, which is comparable in size and effect to the one the United States launched just after the Second World War, which enabled speedy reconstruction of Europe, has met with growing approval in our countries, as the recessions of the seventies and eighties threatened to shake the belief in industrialized countries' capacity to bring about a new phase of development in the world economy to follow the "thirty glorious years" of postwar growth.

Between 1948 and 1952, the Marshall Plan, on which all the various and often very sketchy versions of the Third World development plan are based, invested a massive 13,800 million dollars (85 per cent in the shape of outright gifts and 15 per cent in the shape of long term loans at a rate of 2.5 per cent), and in a very short period of time put the European economies, prostrated by the war, back on their feet. A far from secondary effect of the Marshall Plan was to encourage European countries to collaborate with each other and this in due course led to the process of functionalist integration that in turn brought about the creation of the European Community.

There were beneficial effects even for the United States. A total outlay of 94 billion dollars of UNRRA (United Nations Relief and Rehabilitation Administration) and Marshall Plan aid produced considerable increases in employment and use of production capacity, while the yearly increase in GDP went up from 2.7 per cent in the period 1945-1949 to 6.1 per cent in the years between 1950 and 1953.

In other words, the Marshall Plan gave Europe new production capacity but used European growth to begin a new phase of growth in the American economy, the only economy able to supply the equipment and products needed to reconstruct Europe.

This historical precedent ought then to encourage the use of a worldwide aid plan for employment and development designed to stimulate the Third World's enormous potential demand,

rescue it from the doldrums of underdevelopment and relaunch employment and growth in industrialized countries as well.

Thus, because in the North the driving force of long-term growth associated with increased consumption by the working masses is no longer possible, a new driving force capable of producing income and employment for an even longer period is necessary.¹

In addition to this general argument, the most lucid supporters of the new development plan intend to repropose Keynesian and welfare state policies in a way that will ensure their success on a world scale and will contribute to overcoming the limits of the current international power balance.

The crisis in Keynesianism is in fact in the first place a crisis both in thinking and a set of policies that have proved unable to go beyond the restricted horizons of individual national economies.

Keynes had in mind a world economy made up of a set of national sovereign states with trade reduced to the bare minimum and aiming exclusively at maximizing domestic growth and employment opportunities.²

His basic plan consisted in urging Great Britain to accept his policies designed to encourage full employment, but for this to succeed it was necessary for all economic ties with the rest of the world to be reduced to the minimum.³

Given the extension to the world sphere of the mode of production and the accompanying growth of international economic integration, it was inevitable that Keynesian policies would eventually prove ineffective. Apart from possible internal causes (changes in the labour market, greater competition between the social groups as regards income distribution, rational expectations of the intervention cycle, and so on), the balance of payments constraints, in particular, prevent full employment from being reached in each particular country.

Associated with the decline in the Keynesianism is then the crisis in the welfare state that has arisen with the break in the

¹ A. SPINELLI, *PCI, che fare?* Einaudi, Turin, 1978.

² In some of his articles written in 1933 Keynes openly defended autarky stating that: «I sympathise, therefore, with those who would minimise, rather than with those who would maximise, economic entanglement between nations». (R.F. HARROD, *The life of John Maynard Keynes*, MacMillan, London, 1951). On this subject see also the introduction by G. Montani to L. ROBBINS, *Il federalismo e l'ordine economico internazionale*, Il Mulino, Bologna, 1985.

³ R.F. HARROD, *op. cit.*

long period of postwar growth, that has removed the resources needed to make social services work.

In this situation, if the launching of Keynesian policies to stimulate effective demand in countries linked to each other by mutual trade is carried out in terms of North-South relationships, then these policies will act as an instrument stimulating growth of both North and South and tending to equalize its distribution internationally by means of appropriate welfare policies.

In this way, the foundations would be laid for ending the bipolarism that still rules the fate of the world and achieving increasingly advanced forms of integration between countries internationally, by proceeding down the road to democratic government of the world economy.

In conclusion, the effect of a plan for the employment and development of Third World countries would not only be improved economic conditions and general welfare in both North and South but also reduced international anarchy, thus facilitating the passage from the old to the new mode of production on a worldwide scale.⁴

We may now deal with the project presented by Angelopoulos in a recent book,⁵ that tackles the various aspects of the question in some detail.

Angelopoulos starts with the hypothesis which is undoubtedly correct that a plan for special aid is of no value unless the problem of debt is solved first. If this problem is not tackled, new resources would end up by being absorbed by the voraciousness of the debt service.

For this reason, the proposed plan ought to be divided into two phases: a) to begin with, Third World external debt should be straightened out by consolidating existing private loans and making them payable over 15 years, after an initial suspension of capital repayment for 5 years. The interest rate on consolidated debts ought to be reduced to 5 per cent and the suspension of capital repayment would be subject to the use of the sums saved in investment projects and to the proviso that all equipment is bought in the creditor country; b) subsequently, new real growth

⁴ A. MAJOCCHI, «Thurrow and the Problem of Equity», in *The Federalist*, XXVI (1984), pp. 62-68.

⁵ A. ANGELOPOULOS, *Un plan mondial pour l'emploi*, PUF, Paris, 1984. Previous versions of the plan are to be found in A. ANGELOPOULOS, *The Third World and the Rich Countries*, Praeger, New York, 1974 and A. ANGELOPOULOS, *Pour une nouvelle politique du développement international*, PUF, Paris, 1976. Other analogous proposals are described in G. MONTANI, *Il terzo mondo e l'unità europea*, Guida, Naples, 1979.

would be stimulated in the Third World because industrialized countries who are members of the Development and Aid Committee would grant long-term credit at favourable conditions.

The loans granted for a 5 year period to the tune of approximately 200 billion dollars ought to envisage: a) a steady increase in credit from 35 to 50 billion dollars a year which is equal to 0.5 to 1.0 per cent of industrialized countries' GDP; b) a 20 year loan period, with a 5 year period of grace for the repayment of the capital; c) no interest for the first 5 years followed by a 5 per cent true interest rate for the next 15 years; d) loans must be used to buy goods in the creditor countries.

Angelopoulos calculates the yearly cost of the plan at 11 billion dollars for the first 5 years and 26 billion dollars for the next 15.

The financial resources needed to cover the cost of the operation ought to be managed by an ad hoc International Development Fund and could be obtained both from finance already available for official aid, which is largely sufficient, and from new finance. In this respect one possibility is placing a tax on oil prices and income from Eurodeposits, or even on increases in the price of gold.

Moreover, all industrialized countries ought to set up a Third World Finance Fund in their Central Bank and transfer 0.5 per cent of yearly national income to the fund, while those countries wishing to draw on this new facility should agree to use the funds in concrete development projects and to acquire the goods needed to implement these projects from companies in the creditor country.

Angelopoulos' plan ends by indicating the political reference point for the entire operation (the World Bank) and by suggesting that, should insurmountable difficulties arise preventing the implementation of a worldwide plan, then three regional plans headed by Western Europe, Eastern Europe and the United States should be drawn up.⁶

Angelopoulos' proposal is correct as regards basic principles, given that it proposes the use of Keynesian policies on a world scale, but needs to be criticised in a number of respects.

Firstly, the reader gets the impression that Angelopoulos has not fully understood the profound differences between the problems facing the Third World today and those that Europe had

⁶ Angelopoulos merely illustrates this possibility, which would involve an annual cost of 8 billion dollars for the first 5 years and 5 billion dollars for the next 15 years.

to face after the Second World War. Europe had to reconstruct its production capacity but was able to rely on great scientific and organisational resources accumulated in the two previous centuries. The Third World either has no such resources or, at the very best, they are most inadequate. The time span cannot therefore be restricted to a few years, but must be in the order of 25 to 30 years.

Even the financial means envisaged are insufficient for the size of the task. Angelopoulos suggests 40 billion dollars per year should be granted over a period of five years. Yet between 1982 and 1984 interest payments alone on Third World debt amounted to between 45 and 50 billion dollars.

Beyond this, we may ask how far a plan which restricts the purchase of goods and equipment to creditor countries can really contribute to Third World industrialization and not just a rehash of the current centre-periphery division of the world.

If aid is to contribute to a more balanced international division of labour it is vital that aid be turned into real demand for Third World countries' own industries, whose products ought, moreover, to have free access to the North's markets.

More generally, Angelopoulos' plan does not envisage the establishment of institutions to look after North-South relationships and guarantee collaboration between the two groups of countries on equal terms.

In this respect the European Community could play a vital role (but not the United States whose hegemony has contributed to strengthening the bipolar system). Historical ties and genuine interests make the European Community a leading contender in the process of emancipating the peoples of the South and developing an economic and power system based on the principle of multipolarism.

Franco Praussello

"THE WHITE ROSE" FORTY YEARS ON

There are at least three good reasons why younger generations should read *Die weisse Rose*, the book by Inge Scholl,¹ the sister of Hans and Sophie, two of the leaders of the group by

¹ INGE SCHOLL, *Die weisse Rose*, Fischer Bucherei KG, Frankfurt a.M. and Hamburg, 1957.

the same name who fought the Nazi régime in German universities with both moral and political opposition between Spring 1942 and February 1943. Theirs was the most generous, noble and glorious action in the whole of the German Resistance: "a slender ray of light in the darkest hour," as Theodor Heuss put it.

The first reason why the book should be read is that a huge blackout, called for by the Allies themselves, has tended to efface the history of Nazi Germany, and even more so the history of the German Resistance. It is our duty to rediscover that terrifying past and its noblest moments.

The second reason is that "the White Rose", too, demonstrated the europeanist and federalist origins of the Resistance, though these origins, particularly in other European countries, came to be forgotten with the restoration of national states after the fall of Nazism.

The third reason is the shining example of heroism and absolute dedication to an ideal that these young students were able to transmit through their action. After more than 40 years, this same spirit and this moral tension is something that young militants fighting for European unity should take to heart.

Who were those young students at the University of Munich? Nearly all of them came from the Jungenschaft, which were Catholic-inspired youth associations. When little more than adolescents, they decided that it was no good giving in to barbaric Nazi activities which were advancing all the time and stunning the German people with their propaganda. They believed it was necessary to resist and not to abandon democratic culture's principles of liberty, tolerance and solidarity. Nobody better than Inge can tell us who Hans, Sophie and their friends were: "... They went for week-end trips and, even in the bitterest cold, they used to live in huts and camps like those that the Lapps build... One of them used to read aloud, when they sat round the fire. On other occasions, they sang all together accompanied by the guitar, banjo and balalajka. They collected songs from all the peoples and wrote words and music for their solemn songs or cheerful ditties. They painted and took photos, wrote and composed poetry. They wrote their marvellous diaries and their inimitable reviews. In winter, they used to camp in the remotest Alpine meadows and went skiing in the most difficult places. They loved fencing early in the morning. They used to take books with them which were so important for them and which opened up new horizons on the world... They were serious and taciturn and had a peculiar form of humour. They loved playing jokes, and were thoroughly sceptical and sarcastic. They were able to

run madly through the woods and used to dive into frozen rivers in the early hours of the morning. They were capable of lying on the ground watching game or the flight of birds and sat, holding their breath, at concerts to disclose music. They tiptoed round museums and knew the Duomo backwards down to its most hidden art treasures. In particular, they loved Franz Marc's blue horses and van Gogh's blazing fields of corn and suns and Gauguin's esotic world."²

Not dissimilar from the Scholls were the other members of the group whom they met at the beginning of 1942 at the University of Munich: Alex Schmorell, elegant, imaginative, brilliant; Christl Probst, a keen observer of nature; Willi Graf, taciturn and introverted, who when he was only 15 wrote in his diary: "Come what may, we stick by our ideas."

There was a "natural" group, with individual paths which were practically identical. They all studied medicine, deliberately, to escape the régime's ideological control. If they had been able to choose freely they would have studied philosophy. They had, in fact, read widely: first, the great spirits of German culture, Goethe, Schiller, Hölderlin, Keller; then, the ancient philosophers, Socrates, Plato and the early Christian philosophers; and finally Saint Augustine and Pascal and such modern writers as Rilke, Nietzsche, Stefan George, Theodor Haecker... Moreover, both Hans and Willi had already been in prison for several weeks during the wave of arrests following the 1938 ban on catholic organizations. They were goaded on by idea of having to do something, something that would reawaken the people from the torpor and abjection that had struck them. A courageous stand by the Bishop of Münster against the horrors of war and the régime's persecution helped them to take the decision to act.

At the end of June 1942, leaflets were distributed clandestinely in the University of Munich and all other cities in Southern Germany, causing a great stir among the students. In the space of a few weeks four leaflets were produced. In the first the German people's passiveness was described ("a tragic people, comparable with Jews and Greeks"). Germans were urged to oppose the régime and "resist passively" without waiting for somebody to give the go-ahead. A call for moral and individual

² INGE SCHOLL, *op. cit.*, pp. 23-24. For those young people born and bred in Swabia, the Community (*Gemeinschaft*) was the basic and natural social structure which was identified with the native land (*Heimat*): « When we thought of the native land we seemed to smell moss, wet earth and apples » (p. 13).

revolt was, in other words, being made. The second leaflet asserts the sense of guilt that weighs on those who witness the persecution of the Jews without doing anything about it ("a sense of complicity... if we tolerate this government which has stained itself with such atrocious sins... we are guilty ourselves... we cannot absolve ourselves because everybody is guilty, guilty, guilty!"). A wave of rebellion is called for throughout the country, whatever the price to pay may be, because "such a terrible end will always be better than terror without end." Political thinking begins to emerge in the third leaflet more clearly, side by side with the moral aspect of revolt which had prevailed until then. There was now a complete break with loyalty to the state and hopes are expressed that it would be defeated militarily (we need to remember that even those who opposed Nazism in Germany did not go so far as to call for the defeat of their country): "the main concern of every German should not be victory over Bolshevism, but the defeat of National Socialism. This must absolutely be the first thing." Hence the suggested "sabotage in war factories... in the information sector, in culture, scientific research..." The idea of Europe, seen as the result of Christianity and its pacifying action, emerges in the fourth leaflet: "... only religion can reawaken Europe... if the idea of a supranational state (ein Staat der Staaten), a political doctrine, should flash before our eyes, should hierarchy be the basis of a union of states (Staatenvereins)?"³

At the end of July, Hans Scholl, Alex Schmorell, Willi Graf left for the Russian front, enrolled in the health service. Before their departure they decided that, on their return, "the action of 'the White Rose' would have been fully unleashed; the audacious beginnings would be transformed into hard and carefully meditated resistance... the circle of conspirators would be enlarged."⁴ Kurt Huber was present at the meeting. He was a professor in Philosophy and Psychology at the University of Munich and much admired by students who thronged to his lessons. We may presume that it was Prof. Huber who led the group politically towards openly federalist positions. The records of the court proceedings

³ In the absence of any theoretical knowledge of federalism, the union between peoples in the Continental tradition was seen as a "forced" union, based on the principle of the hegemony of one state over all other states. The authors of the leaflet, with this quotation taken from Novalis, an exponent of German Romanticism, doubt, precisely, that that hierarchy could be the only form of union possible. For the quotations in the leaflets, see *ibidem*, pp. 103-125.

⁴ *Ibidem*, p. 52.

show that Huber pronounced "speeches on Federalism... as a need for Germany, instead of teaching National Socialism."⁵ Inge Scholl recalls that Huber said that it was important to "profit from the marvellous moment of freedom to construct a new and more human world together with other European peoples."⁶

In November 1942, the group's leaders came back from the front, determined to turn words into action. Contacts were made with other opponents, including the group of conspirators who unsuccessfully attempted to assassinate Hitler on July 20th, 1944, while the first acts of sabotage took place in the barracks.

Early in January 1943 the group published a document which was probably drawn up by Prof. Huber,⁷ entitled Leaflets of the Resistance Movement (with the subtitle "Appeal to all Germans!"), almost implying that "the White Rose" wanted to turn itself (or was turning itself) into a real Resistance movement. The document was distributed on a massive scale: Munich, Frankfurt a.M., Stuttgart, Freiburg, Mannheim, Saarbrücken, Vienna, Salzburg, Linz, Karlsruhe, etc.

This document was the most important one. It briefly summarized the themes of previous leaflets (the war has now been lost, the objective is the defeat of Nazism, we need to revolt before it is too late) and, in particular, European and federalist themes appeared for the first time: "The imperialist idea of power must be made harmless for ever... all centralizing power of the type that the Prussian state has attempted to exercise in Germany and Europe must be suffocated the moment it surfaces..."

The identification of the nation-state as the source of state centralisation, national ideology, militarism and imperialism is clear enough. Equally clear is the alternative: "Future Germany can only be federalist. Only a healthy federalist system can breathe new life into a weakened Europe. Workers must be freed by means of a reasonable socialism from the state of complete slavery to which they have been reduced. The fallacious image of autarkic economy must disappear from Europe. All peoples and all individuals have a right to the world's goods."⁸

⁵ See: K. VIELHABER, H. HANISCH, A. KNOOP-GRAF (Hrsg.), *Gewalt und Gewissen - Willi Graf und die «Weisse Rose»*, Herder, Freiburg-Basel-Wien.

⁶ INGE SCHOLL, *op. cit.*, p. 54.

⁷ See: K. VIELHABER, H. HANISCH, A. KNOOP-GRAF (Hrsg.), *Gewalt und Gewissen*, *op. cit.*, p. 172.

⁸ INGE SCHOLL, *op. cit.*, p. 129.

It would be interesting from a historical point of view to learn how the idea of a future federal system for Europe matured at that time in the heart of Germany. Was it the solitary idea of the Kantian-inspired Prof. Huber or an extension of the thinking and debate that was going on at that time in other European countries? Whatever the case may be, this theoretical novelty in the German Resistance did not have any time to develop, because on February 18th both Hans and Sophie (and, subsequently, all the others) were arrested precisely while they were handing out the last leaflet in the University corridors, which was directed precisely to those students, who a few days before had protested heavily in the streets of Munich, fighting Gestapo agents. They were tried and six of them were condemned to death. Three were beheaded immediately: Hans and Sophie Scholl and Christl Probst. Their execution was announced in Munich by great posters. Then it was the turn of Prof. Huber and Alex Schmorell. The last member of the group Willi Graf was killed on October 12th after many months of interrogation and solitary confinement.

As Altiero Spinelli said, "the heroic but short adventure of 'the White Rose' is the finest and purest chapter in the German Resistance. Here, there are no calculations about past and future political parties, no wise reflections on what is possible, probable or improbable. There are no paralyzing hesitations vis-à-vis the myth of the fatherland at war which must not be attacked from within. Here, there is only straightforward moral courage where the right path once identified is followed resolutely until the very end."⁹ Forty years on, the battle for the European federation does not imply the defeat of monstrous experiences like Nazi Fascism, but "simply" of the shell that fosters such experiences: the absolute sovereignty of the nation-state. The spirit, the moral and political vigour of the young people of "the White Rose" are still an example and a guiding light for the pursuance of the political struggle which we share in common with the members of "the White Rose".

Antonio Longo

LIGHT AND DARKNESS AFTER MONTEGO BAY

In December 1982 at Montego Bay (Jamaica) the Law of the Sea Convention was signed by the diplomats representing 119

⁹ Terzo Programma, RAI (Italian Broadcast), fasc. 1, 1962, p. 75.

countries. Non-signatory states were given a two-year period of reflection. By the time this period had elapsed 140 governments had agreed to ratify it. But to enforce the Convention diplomats' signatures are not enough, and at least sixty states need to ratify it in keeping with their own legislation. Since only a very tiny number of states have actually done so, the Convention has not been implemented — nor is it likely to be in the near future. Several major countries — including the United States, Great Britain and West Germany — have not only refused to ratify the text of the Convention, they even refused to sign it in the first place: their decision thus deprives the new international bodies provided for in the new treaty of any political credibility and, even more significantly, of the necessary funding. Many countries, while agreeing to the Convention, do not seem anxious to ratify it and seem intent on continuing the race for the conquest of the seabed without considering themselves bound by the Montego Bay Treaty. This is particularly true of European countries who took alternative measures: instead of waiting for the outcome of the negotiations, Germany, France and Great Britain had already passed unilateral national legislation in 1981. And on August 3rd, 1984 in a climate of absolute secrecy, Belgium, France, West Germany, Italy, Holland, Great Britain, Japan and the United States separately reached agreement on the law of the seabeds (Geneva agreement). Thus, of the 12 EEC countries, two are not even signatories of the Montego Bay Convention and the other ten, though signatories, have not yet ratified it. The EEC commission has signed the text, albeit only on behalf the EEC, and will not be able to ratify the Convention, except after the majority of partners have ratified it with their own national legislation. But that day would seem to be a long way off.

The uncertainty surrounding developments in the short-term does not prevent us from examining the contents of the Convention. Thanks to the continual refinement of techniques, it is possible to make use of resources that were inaccessible until only a few years ago such as the South Pole, with its precious raw materials, outer space which prospectively offers immense resources of every kind and, of course, the sea which since time immemorial has been a source of subsistence thanks to stocks of fish but whose seabeds also hide exceptional deposits of energy, minerals and other precious substances. Technology has given mankind new possibilities of growth and development, creating at the same time an alternative between two options. The first option is the one federalists have already outlined in this review on a number of occasions: the common use of these new resources

achievable by replacing international co-operation with supranational co-operation, which in itself contains the seeds for a future world federation. The second option is (very effectively) defined "new nationalism".¹ states increase their economic sphere of influence to the maximum by extending their territorial waters to the high seas and slice up the cake on the basis of mutual power relationships. These clearly antithetical options differ, however, from the system which existed prior to the Convention, inspired by the doctrine of "freedom of the seas" whereby seas and seabeds could be used by the individuals or states who first managed to exploit them but without their having any claim to territorial rights. This doctrine is fiercely defended by all those countries who in practice hold a technological monopoly over the exploitation of the seabeds, as reaffirmed in the agreement signed in Geneva on August 3rd, 1984. Control of the seas has, however, become too important for it to be left by developing countries to Western multinational companies, so that the Convention has repudiated this old doctrine.

Federalist arguments in favour of a supranational government of the seas' resources were discussed during the negotiations. In the text of the Convention, indeed, there are two significant points based on the principle that the seabed is "mankind's common heritage". The first point is the provision for the very first time of a compulsory and cogent international jurisdiction which no longer depends on states prior acceptance of proceedings: the model adopted is the EEC's legal system, based on the concept of renunciation of juridical sovereignty by states. The second point relates to the establishment of an "International Authority of the seabeds", with powers in the high seas over 370 kilometres from the coast. This was hailed by federalists as "the first body for supranational planning of economic resources in the history of mankind."²

When, however, we examine the overall content of the Convention, we cannot fail to note that it "nationalizes" the seas on a very vast scale. The Convention, in fact, lays down that an area which stretches 370 kilometres beyond the end of territorial waters shall be entrusted not to the "international authority" but to the coastal country who shall have exclusive control of the

¹ Expression used by JONATHAN I. HARNEY (ed.), *The new nationalism and the use of common spaces*, Totowa, New Jersey, Allanheld, Osmun, 1982, pp. ix-343.

² GUIDO MONTANI, "Il MFE per il governo sovranazionale delle risorse marine", in *Il Federalista*, XXV (1983), p. 28-31.

seas' resources in this area. This area may in certain cases be even greater (inlets, gulfs, continental shelves). One example will suffice to illustrate the consequences of implementing the new Convention: however incredible it may seem, sovereignty over a tiny island one square kilometre in size in the middle of an ocean gives the island's government exclusive control of the sea's and seabed's resources for 430 thousand square kilometres i.e. a territory much bigger than the whole of West Germany. 35 per cent of the seabeds are thus entrusted to coastal countries and islands and, moreover, they contain more than 80 per cent of fish stocks and 90 per cent of seabed hydrocarbons. To this we need to add that 54 per cent of this "nationalized" sea is entrusted to 10 states, only two of which may be considered developing countries. The remaining 46 per cent is split up between a 140-odd coastal countries. Finally, exploitation of these areas is not possible for all those countries (including some of the world's poorest countries) which have no outlet on the sea.³

Implementing the new Law of the Sea Convention would have very worrying consequences, in particular, for the world's "hot spots". One of these is the Mediterranean, where unchecked expansion of the areas controlled by coastal states has ended up by eliminating any sea area entrusted to the "International Authority". In other words, the Mediterranean, rather than being a "free" sea risks being turned into a "closed" sea. The territories under national control all overlap making it necessary to draw up underwater boundaries in the knowledge that any solution favoured by one country is automatically unacceptable to neighbouring countries. The situation which has been created is in many respects very worrying: of the 32 bilateral agreements needed to draw up the political map of the Mediterranean seabed, only four have been concluded, while two others have been at least partially resolved with rulings of the International Court of Justice at The Hague. In other cases, we are up against harsh disputes, often made all the more acute by diffidence and secular hatred.⁴ There are no legal criteria which can be relied on, given that every state tends to exploit the physical configuration of the coast to the maximum and hence to adopt the most diverse rules:

³ Statistics in UWE JENISCH, "The signing of the Law of the Sea Convention", in *Aussenpolitik*, vol. 34, n. 2, pp. 171-184.

⁴ Lecture on defining boundaries in the Mediterranean held at the University of Bologna on May 5th, 1986 by Dr. Bastianelli (an expert on international law working for the ENI company) with the title *Delimitazione dei confini marittimi nel Mediterraneo e problemi petroliferi*.

thus, in the same way as the problem of land boundaries has raised unending conflicts, the partition of the Mediterranean into economic areas under the exclusive control of states will unfortunately lead to tensions which have only in part been foreshadowed by the Sirte Gulf issue.

Attempts at legislation on the seas have thus been vitiated, on the one hand, by the ambiguity of the states (European states, in particular) as regards their real willingness to ratify the treaty and, on the other hand, by the blatant contradictions in the text of the Convention, where pronouncements of great principles alternate with vulgar nationalistic mistifications. In other words, the Convention not only includes very welcome trends, it also includes very unwelcome and disquieting forms of "new nationalism", affecting all geographical areas and all ideological positions. This "new nationalism" must be identified and fought. The constant process of nationalization of the seas (which began many decades ago) can only be corrected by creating regional federations which make more equal use of resources and redistribution of riches between coastal and non-coastal nations possible. The situation in the Mediterranean can only be made less dramatic if serious progress is made towards European Union and unity in the Arab world, that would make some form of Euro-African integration possible. From being a "closed sea" the Mediterranean can and must become a "common sea".

Such progress is by no means easy given the current position in the international community. Progress will mean a whole host of political battles, some short-term, some which will last for decades. But all these battles must be fought in the knowledge that the end to the contradiction between the need for international democracy and the persistence of narrow-minded nationalistic attitudes is the only way to guarantee an ordered development to history.

Francesco Mazzaferro

Federalist Action

EUROPEAN UNION AND THE COMMUNITY *

Any plan to relaunch the European Union must come to grips with a basic fact (which was the cause of the Luxemburg failure) that some Community countries, i.e. Great Britain, Greece and Denmark (and perhaps Portugal in the future), on the one hand, do not wish to proceed down the road to Union (and say so openly) but, on the other hand, have no intention of renouncing the advantages they derive from Community membership. Thus any initiative designed to relaunch the Union involving these countries is unquestionably doomed to failure. This obstacle must be faced and we must work from the assumption that the only realistic hypothesis currently possible is a Treaty-Constitution establishing a European Union agreed by *some* countries and not *all* the countries in the current Community. (This is, of course, true only initially, since, in all probability, if a realistic project did make headway, then the attitude of Great Britain — and hence Greece, and Denmark and possibly even Portugal — would rapidly change).

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Naturally, this does not mean that the enemies of the Union are to be found only in Great Britain, Greece and Denmark (and possibly Portugal). Clearly, the attitude of these governments is most convenient for many politicians in the other member states,

* This document was presented to the institutional commission of the International European Movement on July 12th, 1986.

who are against the Union but who, in the light of public opinion in their respective countries, cannot say so openly and are only too happy that somebody else does their dirty work. But the very first task of a realistic project to relaunch the Union based on countries in favour would be precisely to unmask this convenient alibi and see who is really *for* and who is really *against* in a crystal-clear way.

The objective of the Union based only on those in favour can be achieved in two ways: either by a break with those who are against or by means of an agreement with them. The history of the Luxemburg "Single Act" has shown that the first possibility is not practicable. The events that have taken place during the interval between the definitive approval by the European Parliament of the Draft Treaty and the "Single Act" have revealed that in certain countries there has been a genuine willingness (of both government and parliament) to proceed down the road to Union. But no country (except, perhaps, Italy) has been willing to do so at the price of a split with Great Britain (the other two countries who were against Union may be considered to all effects and purposes as *entités négligeables*). It should be pointed out at this stage that the "split" in Milan, however symbolically significant, was contradictory because it led to a *majority* decision to call a diplomatic conference required to reach a *unanimous* decision. Sir Geoffrey Howe had no difficulty in these circumstances to appear as the champion of common sense when he said that the Milan decision would merely delay the realization that agreement on the European Parliament's Draft Treaty was impossible.

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The second possibility. This consists in proceeding down the road to Union with the agreement of those countries who are not willing to take part. Since a few countries are unwilling to go ahead but, at the same time, do not want to lose the advantages deriving from Community membership as it is at present, there is no logical reason why they should object to the others signing a Treaty-Constitution, the contents of which follow the same lines as the Draft Treaty approved by the European Parliament, provided, of course, this Treaty-Constitution protects the rights and interests as members of the Community of those not willing to join.

The new text of the Treaty-Constitution, rather than the bland statement in Art. 82 of the Draft Treaty of February 14th, 1984 which asserts that at a certain moment the problem of the relationships between the states who have ratified the Treaty with

those who have not ratified it will arise, should from the very start contain a series of measures making the provisions of the Treaty-Constitution compatible with those of the Treaties of Rome. This would make it possible to present the proposal not as an initiative designed to provoke a split, but as an attempt to reconcile the interests of those who want a greater degree of supranationality with the interests of those who do not want this to happen but who at the same time wish to preserve the *acquis communautaire*. This proposal ought then to be presented to all the Community member states who would be asked to decide, in full compliance with Art. 236 of the EEC Treaty, on the establishment of a European Union *within the Community*.

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The advantages of this approach are clear. Apart from the fact that it unmask the false friends of Europe and removes their most credible alibi, which we have already mentioned above, others include the following:

a) It is certainly possible, and indeed probable, that the British government will remain strongly opposed to any plan of this kind. But equally its position would most certainly be weakened by such a plan. It would become much more difficult for Mrs. Thatcher to justify a blanket refusal to public opinion. A section of British public opinion and the British political class, while opposing Great Britain's participation in a democratic European supranational Union, would however be in favour of an agreement that left the relationships between the United Kingdom and other countries in the Community as they are at present but permitted the others to proceed.

b) The mere fact of placing the plan on the negotiating table would encourage the creation and expression of a European political will in many potentially favourable circles. It is undeniable that the British obstacle — as well as supplying an alibi for the false friends of Europe — has so far been a real deterrent for its true friends. Very often a genuine political European will has not arisen where it might well have done so precisely because Great Britain's expected blanket refusal was sufficient to kill any desire to act or any ability to plan stone dead.

c) The position of those in favour would be greatly strengthened by the fact that such a plan would make it possible to appear at the negotiating table as the defenders of legality whereas any other possibility of action presupposes a split. The unlikelihood of a split reinforces the skepticism of the "realists" as well as the aversion of the legalitarians.

d) This does not mean that the possibility of a split should be ruled out *a priori*. It may well be, as we mentioned above, that Great Britain, in the belief that it is confined by such an agreement (albeit one which respects its rights and economic interests) into a politically marginal position, will oppose any form of agreement and will cause the negotiations to fail. But in this case it would be clear to everybody that the split was caused by those governments who want to block the process and not by those who want to encourage it. The latter could legitimately claim that they had done everything in their power to reach a negotiated agreement which was in everybody's interests while it would become increasingly difficult for those opposing such an agreement to justify their position. This would create a situation, favouring the growth of a European drive in public opinion — both in the countries who are for and in the countries who are against. Ultimately it would make it clear that a split is inevitable and not the result of an arbitrary decision. It would thus make the relative decision acceptable to even the most lukewarm governments.

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This leaves the technical problem of demonstrating that a solution of this type is possible. This can be done by drawing up a Draft Treaty which complies with the previously mentioned need. We should not conceal the fact that drafting presents serious difficulties — even though we should not overstate the difficulties. The history of European integration has experienced very complex institutional solutions, such as the co-existence of the three Communities and the co-existence of the Community with the EMS. The federalists are, however, committed to resolving these problems, and have retained leading experts on Community law to study these problems.

The basic outline of the Draft Treaty should be as follows:

1) a European Union is established *within* the European Economic Community.

2) The countries which constitute the Union shall proceed to strengthen and democratize common policies and institutions while complying, in dealings with non-Union Community members, with Community regulations and procedures.

3) The Union is open to those members of the Community who do not join at the time when the Union is established. They shall be admitted to the Union as soon as they express the desire to do so, without the need for any negotiation, provided they accept the Union's rules.

4) The Union's member states shall decide on the basis of the procedures which are from time to time in force, whether they will act *uti singuli* or through common institutions, regarding intergovernmental relationships within the Community. Whatever the case may be, in the majority votes of the Council of Ministers and in the establishment of the number of Commission members for each country, the Union will always count in proportion to the number of its member states.

5) Other states will not be able to participate in the Union without previously passing through the Community, so as to ensure that no change in Community membership can occur without the agreement of all the member states.

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The Draft Treaty will have to define the relationships between the Union and the Community and will have to come to grips with the problems that arise in all major sectors, the following in particular:

1) The institutions. These would not be duplicated but would carry out their functions for both the Union and the Community. The Parliament and the Commission in particular could maintain their current structure but, when they acted as Union institutions, the British, Danish and Greek members would be present as observers with the right to speak but not to vote.

The British, Danish, Greek members etc. of the Court of Justice would be empowered, like the others, to rule on matters relating to the Community and the relationships between the Community and the Union.

2) Own resources and budget. Current resources would remain attributed to the Community. The Union should find its own resources by effecting further transfers of funds.

3) Common agricultural policy. This would remain in the Community's jurisdiction. The Union could, however, be empowered to take on responsibilities in the guidance sector.

4) The internal market. The Union could give a stronger impetus to the process while respecting agreements made from time to time with Great Britain, Greece, Denmark, etc.

5) Cohesion. Dual jurisdiction would seem to be conceivable. Both Community and Union could carry out their own regional and social policies while attempting to harmonize them as far as possible.

6) Currency. No conflict need arise. The Union could incorporate the EMS in its own institutional system and push ahead towards its transformation into a true monetary Union.

7) Revision procedures for the Union Treaty. No conflict need arise provided the integrity of Community institutions is safeguarded in the relationships with non-Union Community members.

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The International European Movement in its efforts to relaunch the Union has adopted the proposals Spinelli presented to the institutional commission of the European Parliament. The proposals are part of a plan with the following objectives: a) the calling of a Convention of states favouring the Union to draft a constituent mandate to be given to the European Parliament before the next elections, subject to a prior referendum on the content of the mandate. This Convention should directly submit the text to be approved by the European Parliament for ratification to the national Parliaments or to the other competent bodies of the member states; b) the drafting by the European Parliament after the next elections of a Treaty-Constitution on the basis of the mandate received; c) the direct transmission of the constitution to the national parliaments or other bodies constitutionally entrusted with ratification without the Draft Treaty being submitted to any intergovernmental conference.

The proposal contained in this document falls in line with Spinelli's plan but articulates one of its steps more clearly.

One point in Spinelli's proposals remains obscure. This concerns the convening of the Convention. Since this only concerns countries in favour, it would automatically fall outside the scope of the current treaties and assume that a split has already taken place with countries who are against. What is not foreseen is *how* this split, which did not occur in the phase ending with the Luxemburg "Single Act" (a phase which in many ways was particularly propitious), could take place *rebus sic stantibus* in the next eighteen months. Certainly the unpredictable is not infrequent in history. And if the climate of relationships between the EEC member states should change radically in the light of exceptional events then we should seize any opportunity that arises. But it is equally certain that a Movement must draw up its strategy on the basis of foreseeable developments because only prospects for action based on foreseeable developments can mobilize energies.

Now the foreseeable short-term developments are: a) that the states openly contrary to the Union will continue to remain so; b) that the states favouring the Union will continue to be unwilling to follow a course which does not entail the application of Art. 236 of the EEC treaty, which lays down that a unanimous vote is necessary and c) that the federalists' ability to apply enough

pressure to strengthen the political will of governments in favour will tend to weaken rather than strengthen now that the particularly favourable phase of the Italian presidency has passed and the possibility of organizing mass demonstrations like the one in Milan has gone by.

This simply means that to relaunch the Union we need to study a procedure that does not take for granted the required degree of maturity among political forces to force a split — because this degree of maturity has simply *not yet been reached*. We need a procedure that leads them to this maturity in the shortest possible time and which also makes the obstacles easier to overcome and weakens the enemy's capacity for resistance.

Concretely, Spinelli's proposals should be specified as follows: a) the Convention with which the process should start, should bring together all the Community states (and hence should coincide with a European Council meeting), with a view to finding a satisfactory solution for all; b) the mandate to be entrusted to the European Parliament should relate to the drafting of a Treaty-Constitution which, as well as defining the bases of the Union, also defines the relationships between the Union and the Community. The Community would continue to exist, guaranteeing the rights and interests of those Community members who do not intend to join the Union. (It should be made clear that if the states who oppose Union reveal their desire to weaken the Community still further, then they should promptly be allowed to achieve their goal, provided that, while watering down the Community's cohesion and weakening the binding nature of the Community's rules, they do not prevent the others from establishing a Union).

As may be seen, this formulation does not in any way change the basic rationale of Spinelli's proposals, which consists in taking the task of drafting the Treaty-Constitution out of the hands of bureaucrats and diplomats.

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A few final remarks are in order at this stage.

1) No juridical solution whatsoever can create a non-existent political will. Nobody is so naïve as to claim the contrary. However, law plays an irreplaceable role in politics because it supplies the instruments needed to produce concrete decisions with which to implement an existing political will. A good juridical solution can therefore give certain forces a vital instrument by which to prevail over others. This could turn political will which currently only exists in a potential form into an actual one.

2) No plan of action, in particular in a phase of the process of European unification like the present one, can be thought of as definitive. It must on the contrary be thought of as a working hypothesis on the basis of which it is possible to draw up the forces before the battle, in full light of the knowledge that subsequent events will require adjustments and will even make radical changes in direction necessary.

3) The effectiveness of a plan of action cannot be judged only on the basis of its capacity to reach the objective. For this to occur it is necessary for Machiavelli's "fortune" to intervene. It must be judged on the basis of its capacity to keep the forces on the field and to give something to do for everybody and to formulate the arguments to be used. Spinelli's plan of action, integrated with the suggestions made in this paper, would seem to present this final prerequisite (it would for example allow British federalists to become engaged in the fight for the Union and avoid them finding themselves in the embarrassing position of having to support a policy, which, if adopted, would at least initially take Great Britain out of the Community).

Francesco Rossolillo

Federalism in the History of Thought

EMERY REVES

Soon after the launching of the first atomic bomb, a group of scientists at Oak Ridge issued a statement recommending that nuclear power be entrusted to a World Security Council authorized by all the world's states to inspect their scientific, technical, industrial and military installations and they called for full publicity for all scientific and technological breakthroughs. In September 1945 Emery Reves¹ informed Einstein about this statement and added that, in his opinion, these recommendations showed that scientists "... have not thought the political problem through and still abide by old-fashioned internationalism, believing a league of sovereign nation-states capable of maintaining peace between its member states... There is only one way to prevent an atomic war and that is to prevent war... Analyzing all the wars of history... I think it is possible... to define the one and only condition in human society that produces war. This is the non-integrated coexistence of sovereign powers... Peace is law. Peace between warring sovereign social units... can be achieved only by the integration of these conflicting units into a higher sovereignty...

¹ Born in 1904 in Hungary, a graduate in political economy at the University of Zurich, Emery Reves in 1930 founded the Cooperation Press Service and the Cooperation Publishing Company (with headquarters in Paris and London) both of which became careful observation points of international affairs. He was the author of various publications against Nazism. He managed to escape arrest by the Gestapo on three occasions. In 1941 he left France for New York where he worked as a journalist. He continued his work as a journalist in Europe after the Second World War. A few years ago he retired to the French Riviera where he died recently.

by the creation of a world government... No group of people today have such influence on the public as do the nuclear physicists. Their responsibility in making political suggestions is tremendous... They should always keep in mind the fundamental thesis Hamilton expressed in *The Federalist*: 'To look for a continuation of harmony between a number of independent, unconnected sovereignties, situated in the same neighborhood, would be to disregard the uniform course of human events, and to set at defiance the accumulated experience of ages'..."²

These remarks were subsequently reworked by Reves, who published them as a postscript (reproduced below) to his *The Anatomy of Peace*, which appeared for the first time in New York published by Harper and Brothers on June 13th, 1945. The first edition met with considerable success. On October 10th the same year a letter appeared in *The New York Times* and many other leading US newspapers, signed by Albert Einstein and Thomas Mann among others, which vigorously stressed the importance of this book and called for it to be read and discussed. Reprintings followed in rapid succession: 160,000 copies have been sold by January 1947; a few years later the figure reached was half a million with translations in more than 20 languages and publication by instalments in *Reader's Digest*.³

We feel that the book is still of great interest: born from reflection on the events in the twenties and thirties and in the wake of the tragic events of the Second World War, it contains a very strong emotional and moral charge and a clear, pedagogic and persuasive intention (hence the frequent stressing of concepts,

² From a letter from E. Reves to Einstein, published in O. NATHAN, H. NORDEN, *Einstein on Peace*, Avenel Books, New York, 1981, pp. 337-338.

³ To clarify the emotional atmosphere that certainly generated the great interest in this volume, it is perhaps useful to quote a passage from "An Appeal to the Students of England" that the New York Federalist Students' Organisation made: "We, Student Federalists, representing groups of students in sixty American universities and colleges, among them Yale, Smith, Vassar, Wellesley, Chicago and Stanford, urge you, students of England, to read, study and discuss Emery Reves' book *The Anatomy of Peace*. Most of us were soldiers in the last war and have just been demobilised. We are young enough to be soldiers of the next war. We feel certain you will agree with us that we must do everything in our power to prevent another world war, which this time, with the atomic bomb, may destroy our whole civilisation. We have been studying this problem very carefully and have come to the conclusion that no treaty, no alliance, no league such as the United Nations, can protect us from another catastrophe. Only law can bring peace, only a world-wide federal government can bring world peace". This appeal is published in the Introduction to the English edition of *The Anatomy of Peace*, Penguin Books, London, 1947, pp. 11-12.

the meticulous series of examples by means of continuous historical references). The basic theme is the analysis of the causes of war and the nature of peace: the identification of the roots of war in international anarchy and the identification of peace with the state and the legal order place Reves in the British Federal Union's tradition of thinking. But around this nucleus there is a whole series of observations and intuitions which, while not rigorously conceptualized, are of great interest.

The book opens with an effective protest: any interpretation of historical events which is based on a purely national standpoint is misleading and consequently the solutions proposed by traditional political and economic doctrines to problems which go beyond the national dimension, in a world which the industrial revolution has made very interdependent, are inadequate. A clear and detailed examination of the contradictions generated by this interdependence between nation-states, which insist on being allowed to keep their sovereignty intact, leads Reves to stress the consequences of an anarchic system of states: conditions of permanent conflict; a tendency to centralize power within each individual state (at the expense of liberty, democracy and social justice); nation-states' failure and inability to achieve the ends for which they were created (guaranteeing security and independence); impossibility to advance down the road to development opened by the process of industrialisation through the absence of a power which organizes the new size of the market and gives life to a unified currency, removing jurisdiction over monetary matters from the various sovereign states which have jealously protected it.

Having subjected the various theories about the causes of war to criticism and having indicated the division of humanity into sovereign state units as the only cause of war, Reves examines the presumed solutions to the problem of ensuring peace: both reducing and generally limiting armaments, or, alternatively, strengthening the war arsenal are ineffective; equally useless are treaties and leagues for collective security (*The League of Nations* or the UN) which are considered as a "negative step";⁴ the various internationalistic doctrines are groundless;⁵ proposals

⁴ "It is a step away from our goal... A council of sovereign nations artificially prolongs the life of the nation-state structure and in consequence is a step toward war" (EMERY REVES, *The Anatomy of Peace*, Penguin Books, London, 1947, p. 211).

⁵ "The moment organised socialist workers in the various countries had to choose between loyalty to their comrades in the internationally organised class warfare within nations, and loyalty to their compatriots in the nationally organised warfare between nations, they invariably chose the latter" (*ibid.*,

favouring the peoples' self-determination are anachronistic and "ptolemaic".⁶ Peace is an order based on law — affirms Reves — organized into institutions of a federal type which, alone, assure democracy and liberty.⁷ Such an order must necessarily embrace the entire world: "To put it bluntly, the meaning of the crisis of the 20th century is that this planet must to some degree be brought under unified control. Our task, our duty, is to attempt to institute this unified control in a democratic way."⁸ Whose task is it to lead this battle? "To put the problem before national governments would be a hopeless enterprise, doomed to failure before even starting. The representatives of the sovereign nation-states are incapable of acting and thinking otherwise than according to their nation-centric conceptions... From men who are personal beneficiaries of the old system — incapable of independent thinking and victims of the scandalous method of teaching history in all the civilized countries — we cannot expect constructive ideas, much less constructive measures."⁹ The task thus belongs to a "movement guided by men who have learned from the churches and the political parties how to propagate ideas and how to build up a dynamic organisation behind an idea."¹⁰ The

pp. 155-156); and again "Internationalism countenances nationalism... It recognises as supreme the sovereign nation-state institutions and prevents the integration of peoples into a supra-national society" (*ibid.*, p. 164).

⁶ "Because this ideal once held good — in a larger, simpler, less integrated world — it has terrific emotional appeal... (but) the present world chaos... will not be relieved in the slightest by creating more sovereign units... On the contrary, the disease now ravaging our globe would be intensified, since it is in large measure the direct result of the myth of total political independence in a world of total economic and social interdependence" (*ibid.*, pp. 168-169).

⁷ "Democratic sovereignty of the people can be correctly expressed and effectively instituted only if local affairs are handled by local government, national affairs by national government, and international, world affairs by international, world government. Only if the people, in whom rests all sovereign power, delegate parts of their sovereignty to institutions created for and capable of dealing with specific problems, can we say that we have a democratic form of government... Only in a world order based on such separation of sovereignties can individual freedom be real... Democracy needs separation of sovereignties and separate institutions to deal with affairs on different levels, adequately to express the sovereignty of the community" (*ibid.*, pp. 126-127).

⁸ *Ibid.*, p. 233.

⁹ *Ibid.*, pp. 225-226.

¹⁰ *Ibid.*, p. 226. The call seemed at the time to have been answered by the American Federalist Students who in the Appeal mentioned above went on to say: "If you agree with us, then organise your fellow students into an active movement in all universities and colleges as we have done

true revolution would be as follows: "In the middle of the 20th century, no movement can be regarded as revolutionary that does not concentrate its action and its might on eradicating that tyrannical institution (nation-state) which, for its own self-perpetuation and self-glorification, transforms men into murderers and slaves."¹¹

POSTSCRIPT

A few weeks after the publication of this book the first atomic bomb exploded over the city of Hiroshima. It ended the Second World War.

But it was an end that brought no joy or relief. It brought instead fear of atomic war.

That the year 1945 of the Christian era produced the atomic bomb for military purposes and the San Francisco Charter for political purposes, is a paradox for historians of the future to ponder.

On every hand, suggestions are made to "outlaw," "abolish," "control" or "keep secret" this incredibly destructive force. As a result of several months' debate among scientists, statesmen, industrialists and commentators, the following facts would seem to be agreed upon:

1. At present and in the immediate future no reliable defence against atomic destruction can be foreseen.

2. Within a very few years, several nations will produce atomic bombs.

3. The atomic bomb is merely the destructive side of nuclear physics and research in the use of atomic energy for constructive industrial purposes can and should be unrelentingly pursued.

4. International control of atomic research or of the production of atomic bombs is impractical because:

(a) In capitalist countries such control is contrary to the practices and habits of free competitive enterprise.

in the United States. If you succeed, then we hope to hear from you so that within a very short time we can join forces and create a powerful world-wide movement of youth which will impose on our government our will to live and our demand for the unification of the conflicting sovereign nation-states into a world-wide legal order, which alone can make it possible for us to do our share to promote human progress". Forty years on we must regrettably say that the call has not in fact been answered.

¹¹ *Ibid.*, p. 235.

(b) In totalitarian countries such control would be unreliable.

(c) Only if the nation-states grant each other complete freedom of industrial and military espionage (which is hardly conceivable) could such control be effective.

(d) So long as the danger of war between nation-states exists, some if not all governments will try to prevent international bodies, in which potential enemy states are represented, from inspecting and supervising their laboratories and industries. Each great power will always do its utmost to lead in military science. Atom-bomb production in remote parts of the American West, in Siberia, in the Sahara, in Patagonia, in underground factories anywhere, can never be effectively controlled, if, in spite of pledges, the governments of the respective nation-states decide on secrecy.

Any effective control or inspection of armaments and research presupposes the sincere and whole-hearted collaboration of the governments of the nation-states. If this were possible, there would be no danger of war and no need for any control. The future cannot be based on a hypothetical assumption, the actual cause of our difficulty.

Once we recognise the impossibility, or at least the insurmountable difficulty, of effective international control of scientific research and industrial production, the question arises: Is such control necessary or even desirable?

Nobody in the United States is afraid of atomic bombs or rockets produced within the sovereign nation-state of the United States of America. Nor is any Soviet citizen afraid of atomic bombs or other devastating weapons produced within the sovereign nation-state of the Union of Soviet Socialist Republics. But the people of the United States feel that atomic bombs produced in the Soviet Union represent a potential danger to them, and the Soviet people feel the same way about atomic bombs produced in the United States.

What does this mean? It means that no atomic bomb, no weapon that the genius of man can conceive is dangerous in itself. Weapons only become "dangerous" when they are in the hands of sovereign states other than one's own. It follows that the ultimate source of danger is not atomic energy but the sovereign nation-state. The problem is not technical, it is purely political.

The problem of preventing an atomic war is the problem of preventing *War*, no more, no less. Once war breaks out and nations are fighting for their existence, they will use every conceivable weapon to achieve victory.

The release of atomic energy and the horrible nightmare of atomic war has greatly intensified the debate on world government. Many people have changed their minds overnight, declaring the San Francisco Charter outdated and inadequate to cope with the problem created by the atomic bomb. Of course, this revolutionary discovery in nuclear physics changed nothing of the necessity, imperative now for several decades, to organise human society under universal law. But it unquestionably dramatised and made it appear more urgent to the complacent millions who needed an atomic explosion to wake them.

This new physical fact has changed nothing in the situation this book deals with. Although written and published before the explosion in Hiroshima, nothing in it would have been said differently had it been written after August 6, 1945.

There is only one method that can create security against destruction by the atomic bomb. This is the same method that gives the states of New York and California (non-producers of the atomic bomb) security against being erased from the surface of the earth by the states of Tennessee and New Mexico (producers of the atomic bomb). This security is real. It is the security given by a common sovereign order of law. Outside of that, any security is but an illusion.

Many of the scientists who released atomic energy, frightened by the consequences of this new force, warn us of the dangers that will result if several sovereign states possess atomic weapons, and urge control of it by the United Nations Security Council.

But what is the United Nations Security Council, except "several sovereign states"?

What is the reality of the Security Council beyond the reality of the sovereign nation-states that compose it?

What matters it if the American Secretary of State, the Soviet Foreign Commissar and His Majesty's Foreign Secretary meet as members of the United Nations Security Council or outside that organisation in a "Conference of Foreign Ministers"? In either case they are but the sworn representatives of three conflicting sovereign nation-states; in either case the final decisions rest with Washington, London and Moscow. These representatives can only arrive at agreements or treaties and are without powers to create law applicable to the individuals of their respective nation-states.

Many of those who realise the inadequacy of the San Francisco organisation feel that the people must not be disillusioned, that their faith in the organisation must not be destroyed.

If that faith is not justified, it must be destroyed. It is criminal to mislead the people and teach them to rely on a false hope.

The pathetic defenders argue that the UN is all we have and we should be practical and start from what we have. A reasonable suggestion. It is scarcely possible to start from anywhere except from where we are. If a man has measles, no matter what he plans to do, he must start with the measles. But this does not mean that measles is an asset, a welcome condition, and that he could not do things better without measles. The mere fact of having something does not automatically make it valuable.

The San Francisco Charter is a multilateral treaty. That and nothing else. Each party to it can withdraw the moment it desires, and war alone can force the member states to fulfil their obligations under the treaty. For several thousand years man has given innumerable chances to treaty structures between sovereign power units to demonstrate that they can prevent war. With the possibility of atomic war facing us, we cannot risk reliance upon a method that has failed miserably hundreds of times and never succeeded once.

A realisation that this method can never prevent war is the first condition of peace. Law and only law can bring peace among men; treaties never can.

We can never arrive at a legal order by amending a treaty structure. To realise the task before us, the heated debates of Hamilton, Madison and Jay in Philadelphia should be read and re-read in every home and every school. They demonstrated that the Articles of Confederation (based on the same principles as the United Nations) could not prevent war between the states, that amendment of these articles could not solve the problem, that the Articles of Confederation had to be discarded and a *new* constitution created and adopted, establishing an over-all federal government with power to legislate, apply and execute law on individuals in the United States. That was the only remedy then and it is the only remedy now.

Such criticism of the United Nations may shock people who have been persuaded that the UN is an instrument for maintaining peace.

The San Francisco league is not a first step toward a universal legal order. To change from a treaty basis to law is one step, one operation, and it is impossible to break it into parts or fractions. This decision has to be made and the operation carried out at one time. There is no "first step" toward world government. World government *is* the first step.

Some remark patronisingly: "But this is idealism. Let us be realistic, let us make the San Francisco organisation work."

What is idealism? And what is realism? Is it realistic to believe that treaties — which have been tried again and again and have always failed — will now miraculously work? And is it idealistic to believe that law — which has always succeeded wherever and whenever it was applied — will *continue* to work?

Every time our Foreign Ministers or the heads of our governments meet and decide not to decide, hurry to postpone, and commit themselves to no commitments, the official heralds proclaim jubilantly to the universe: "This is a hopeful beginning." "This is a first step in the right direction."

We are always beginning... We never continue, never carry on, complete or conclude. We never take a second step or — God forbid — a third step. Our international life is composed of an unending sequence of beginnings that don't begin, of first steps that lead nowhere. When are we going to tire of this game?

It is of utmost importance to look at these things in their proper perspective. We must reject the exhortations of reactionaries who say: "Of course, world government is the ultimate goal. But we can't get it now. We must proceed slowly, step by step."

World government is not an "ultimate goal" but an immediate necessity. In fact, it has been overdue since 1914. The convulsions of the past decades are the clear symptoms of a dead and decaying political system.

The ultimate goal of our efforts must be the solution of our economic and social problems. What two thousand million men and women really want on this wretched earth is enough food, better housing, clothing, medical care and education, more enjoyment of culture and a little leisure. These are the real goals of human society, the aspirations of ordinary men and women everywhere. All of us could have these things. But we cannot have any of them if every ten or twenty years we allow ourselves to be driven by our institutions to slaughter each other and to destroy each other's wealth. A world-wide system of government is merely the primary condition to achieving these practical and essential social and economic aims. It is in no way a remote goal.

Whether the change from treaty structure to a legal order takes place independently of the United Nations or within it is irrelevant. To amend the San Francisco Charter — if that is the road we choose — we will have to re-write it so drastically to get what we need that nothing of the document will remain except the two opening words: "Chapter One". The change has to come about in our minds, in our outlook. Once we know what we want, it makes no difference whether the reform is carried out on top

of the Eiffel Tower, in the bleachers of the Yankee Stadium, or on the floor of the United Nations Assembly.

The stumbling-block to transforming the San Francisco league into a governmental institution is the charter's basic conception expressed in the first phrase of the second chapter: "Members are the states."

This makes the charter a multilateral treaty. No amendment of the text can alter that fact until the very foundation is changed to the effect that the institution will have direct relationship, not with states but with individuals.

But — argue the defenders of the charter — the preamble says, "We, the people..."

Suppose someone publishes a proclamation opening, "I, the Emperor of China...". Would this make him the Emperor of China? Such an action would more probably land him in a lunatic asylum than on the throne of China. "We, the people..." — these symbolic words of democratic government — do not belong in the San Francisco Charter. Their use in the preamble is in total contradiction to everything else in it, and only historians will be able to decide whether they were used from lack of knowledge or lack of honesty. The simple truth requires that "We, the people..." in the preamble of the charter be accurately read: "We, the High Contracting Powers..."

The most vulgar of all objections, of course, is the meaningless assertion made by so many "public figures": "The people are not yet ready for world federation."

One can only wonder how they know. Have they themselves ever advocated world federation? Do they themselves believe in it? Have they ever tried to explain to the people what makes war and what is the mechanism of peace in human society? And, after having understood the problem, have the people rejected the solution and decided they did not want peace by law and government but preferred war by national sovereignty? Until this happens, no one has the right to pretend he knows what the people are ready for. Ideals always seem premature — until they become obsolete. Everybody has a perfect right to say that he does not believe in federal world government and does not want it. But without having faith in it and without having tried it, nobody has the right to preclude the decision of the people.

Certain statesmen say that it is criminal to talk about the possibility of a war between the Russian and Anglo-American spheres. This is a matter of opinion. I believe it is criminal *not* to talk about it. Nobody ever saved the life of a sick person by refusing to diagnose the disease or to attempt to cure it. The

people of the world must understand the forces driving them toward the coming holocaust. It has nothing whatever to do with Communism or capitalism, with individualism or collectivism. It is the inevitable conflict between non-integrated sovereignties in contact. We could put a Communist in the White House or establish the purest Jeffersonian democracy in Russia and the situation would be the same. Unless an over-all world government organisation can be established in time by persuasion and consent, no diplomatic magic will prevent the explosion.

Drifting toward a perfectly evitable cataclysm is unworthy of reasonable men. Hundreds of millions of civilised human beings, good-humoured, music- and dance-loving, industrious working people who could peacefully collaborate and enjoy life within one sovereignty, as the chained slaves of their respective sovereign nation-states, guided by fear and superstition, are being hoodwinked and bullied into senseless war. No amount of negotiating, of "good will" or wishful thinking will change this course. Only a clear realisation by the people as to what is driving them into that conflict can bring about its eradication and cure.

What chance have we to create a world government before the next war? Not much. Suppose we do make the problem clear to the democratic peoples — is it *likely* that Soviet Russia would accept a suggestion to enter into a common government organisation with us? I believe the answer to be no. Is it *possible*? Perhaps. But the alternative — another world war resulting in the destruction of all individual liberties and in the rule of a totalitarian state, either ours or Russia's — is a prospect that leaves no room for hesitation as to the action we must undertake.

If war, horrible war, between the two groups of sovereign nations dominated by the USA and the USSR has to be fought, at least let it be civil war. Let us not go to battle for bases, territories, prestige, boundaries. Let us at least fight for an ideal. The end of such a struggle ought automatically to end international wars and bring victory for world federation.

The reality we must constantly keep in mind in striving for peace is clearly expressed by Alexander Hamilton in his Federalist No. 6: "To look for a continuation of harmony between a number of independent, unconnected sovereignties, situated in the same neighbourhood, would be to disregard the uniform course of human events, and to set at defiance the accumulated experience of ages."

History demonstrates how right Hamilton was and how wrong were those "first steppers" who thought that the American

people could prosper and live in peace under a loose confederation of sovereign states. [...]

Undoubtedly, if the inhabitants of Mars or another planet suddenly descended upon the earth and threatened to conquer us, all the nations of our small world would immediately get together. We would forget all our ridiculous inter-national quarrels and would willingly and gladly place ourselves under one rule of law for sheer survival. Are we certain that the unleashing and national use of atomic energy, the apocalypse of an atomic world war, is not an equal threat to our civilisation and to mankind, imperatively requiring us to rise above our outdated international conflicts and to organise human society politically so that an atomic world war could be checked?

We have very little time to prevent the next war and to stop our drifting towards totalitarianism. [...]

An irresistible popular demand must be made articulate in every country as soon as possible. And when in two or more countries the people have clearly expressed their will, the process of federation must start. Naturally the ideal solution would be if all the people of the world were persuaded simultaneously. But such a course is unlikely. The process must start at the earliest possible moment, even with a minimum of two countries, because no argument can compare with the overwhelming persuasive power of events. There can be no question that once the process of inter-national integration starts, its attraction will be so great that more and more nations will join until finally, by the force of events, we shall arrive at a federal world government.

If we ourselves sincerely want a world-wide legal order and wholeheartedly begin work on the problem of creating governmental institutions which would permit different national groups to continue to shape their own religious, cultural, social and economic lives the way they choose and which would protect them by force of law from interference of others in their local and national matters, we have no reason to assume that Russia will stubbornly refuse to participate. If, under any conditions, she does not want to join, then let this be her decision. But let us not make our own actions dependent upon the hypothetical behaviour of someone else. With such lack of faith, with such lack of courage, no progress is possible.

We must be as much perfectionists in our pursuit of peace as Franklin D. Roosevelt, Winston Churchill and Joseph Stalin were perfectionists in their pursuit of victory in war. They did not say: "Let us build a few hundred planes, let us win a first little battle and then be content with it and wait." They raised

standards and when they proclaimed that we wanted complete, total victory, unconditional surrender in the shortest possible time, hundreds of millions of us followed enthusiastically.

When we wanted the atomic bomb, we did not say it was "impossible," "impractical," "unrealistic," we did not say that "the people are not ready for it." We said we *want* it, *we need* it, and we *have* to have it. And we went all out for it with the utmost perfectionism. We constructed entire new cities, used two hundred thousand workers, spent two billion dollars and telescoped into three or four years the work of half a century. The result of this perfectionism was a perfect result. The "impossible" became reality, the "impractical" exploded over Hiroshima and the "unrealistic" brought what we wanted: Victory.

No human problem has ever been solved by any method other than perfectionism. [...]

We cannot achieve peace — a much more arduous and an even more heroic undertaking than war — if all of a sudden we become modest and satisfied with what is complacently accepted as a "first step" and if, disregarding all the past, we indulge in the hopeless hope that something can now work which Hamilton rightly said would be to "disregard the uniform course of human events." We shall never have peace if we do not have the courage to understand what it is, if we do not want to pay the price it costs and if, instead of working for its realisation with the utmost determination, we are so cowardly as to resign ourselves smugly to an inherited, unworkable system enslaving us all. [...]

(Prefaced and edited by Maria Luisa Majocchi)

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ABOUT THE AUTHORS

JEAN-FRANCIS BILLION, Member of the Comité régional Rhône-Alpes of the Mouvement Fédéraliste Européen.

ANTONIO LONGO, Movimento Federalista Europeo, Genoa.

MARIA LUISA MAJOCCHI, Movimento Federalista Europeo, Pavia.

FRANCESCO MAZZAFERRO, National President of the Gioventù Federalista Europea.

GUIDO MONTANI, Member of the Secretariat of the Movimento Federalista Europeo, Professor in the Theory of Economic Development, University of Pavia.

FRANCO PRAUSSELLO, Member of the National Executive of the Movimento Federalista Europeo, Professor in International Economics, University of Genoa.

JEAN-LUC PREVEL, Member of the Commission Nationale Française of the Mouvement Fédéraliste Européen.

FRANCESCO ROSSOLILLO, Vice-President of the European Union of Federalists.



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Via Porta Pertusi 6
I-27100 Pavia (Italy)

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