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Great Britain: Slim majority for labour

Intereconomics

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which Britain had previously blocked probably made it easier for France to fall in with the idea of energy coordination between western industrialised countries, and later the French Government went along with the suggestion of energy cooperation extending beyond the confines of the EC. At the Washington energy conference in February France had still, with an eye on French-Arab relations, declined to join the coordination group for energy questions, but when it encountered ever greater difficulties in paying for its oil imports, France was forced to accept closer co-operation with the rest of the western world. The French Ministers of Foreign Affairs and Finance demonstrated at the recent energy summit in Washington that their country was adopting a new attitude. Major differences remain only concerning the mode of procedure against the oil producing countries: the French will not entertain any kind of pressure or counter-measures. It is however by now considered certain that France will participate in the OECD coordination group for energy questions.

It will be interesting to see whether unity makes for strength in this instance, for the oil countries have already lodged new and bigger claims in time for the winter season. zz.

Mozambique-Portugal

Difficult Joint Future

The transfer to Frelimo of the governmental power in Mozambique has shown to the whole world that Portugal is in earnest with its policy of autonomy for the colonial territories. The attachment of a Portuguese diplomat of ministerial rank has likewise made clear that the Portuguese Government intends to help the new rulers in Mozambique by word and deed to solve their problems. Lisbon however cannot give more than limited support to the provisional government in Lourenco Marques. Such would be the case for instance if the Portuguese section of the population of Mozambique were to give battle to Frelimo and the decolonisation policy of the Concalves Government. Since exit visa for South Africa are no longer issued the situation of the white settlers in Mozambique is almost beyond remedy. For most of them the alternative of return to Portugal means unemployment. Yet few white people are likely to respond to Frelimo's appeal to them to stay in the country. On the contrary, after the first militant demonstration of white settlers further incidents of this kind cannot be ruled out, the less so as they would probably receive the moral support of at least some circles in Portugal. Faced with an unstable domestic situation in the mother country, the Government in Lisbon

would hardly be able to do anything effective against another rising of the settlers.

Relief can only come from a quick economic uplift in Mozambique and in Portugal which would give the white settlers a prospect of safe employment either in Africa or in the mother country. For this however capital is needed, and neither country can provide it out of its own resources. There is urgent need therefore for increased aid for Mozambique and support by other countries for Portugal's further economic development. mk.

Great Britain

Slim Majority for Labour

After a campaign in which public apathy and confusion was pronounced the British Prime Minister Harold Wilson and his Labour Party were returned to power by the voters, though with a hairline margin of victory over all other parties. It seemed as if the voters wanted to let Wilson know that they were willing to give him more time but not a resounding mandate for fear of encouraging Labour Party extremists to move too far to the left. Indeed, it may be expected that the narrow margin will strengthen the party's moderates, those likely to oppose an extension of nationalisation in private industry and the withdrawal of Britain from the EC. On the other hand, in its manifesto the Labour Government had pledged that, within 12 months of the elections and after efforts to change Britain's membership terms, it would give the British people the final say on whether they wanted to remain in the Common Market. For Labour there is a severe danger of a party eruption over this issue, the more so since a rejection by the voters cannot be ruled out even if the Labour Party urged them to vote "yes" on remaining in the Community.

A more immediate test, that will have to be passed by the Wilson Government, is its handling of the economy and the stability of its "social contract" with the unions on curtailing inflationary wage demands. During the electoral campaign Wilson had stressed that this voluntary agreement was the only way to avoid a "wage explosion". His emphasis on the contract and his pledge of industrial peace appeared to sway many voters who remembered the dark days of last winter and the Conservative Government's struggle with the coal miners. Evidence of whether the contract works could come this winter when coal miners and other important groups of workers make their demands. In any case the British population has to resign itself to a further decline of its standard of living. For how long it will and can accept this decline will be the victor's greatest problem. ch.