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## World economy: Six in a castle

Intereconomics

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# COMMENTS

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*Spain*

## **A Difficult Heritage**

Four decades of the Franco-régime estranged the Spanish nation from politics and deprived the people of its political judgement." For years the régime as well as the opposition are exploiting this argument – the former in order to stop any political action, the latter to justify radical eruptions. The late Caudillo banned all parties and ideologies from the State, and for three years even the Falange has been not allowed to call itself a political party anymore. A year ago, on the other hand, Franco permitted political associations – the *asociaciones políticas* – but without the rights and duties belonging to a legislative as known in democracies. But Spain's young industrial society, used by now to economic responsibility, is strongly demanding political responsibility as well.

Now that Juan Carlos de Borbón y Borbón, Franco's designated heir as Chief of State has taken over, many are afraid of a political vacuum and wonder if the King will be able to deal with the opposing forces of the far right and the far left. But so far his deeds as acting Chief of State seem to augur well. During the Sahara-crisis he made a well publicised visit to the Spanish Sahara. He carried off his morale-building tour of inspection very successfully, endearing himself to the Spanish army and the press. And the key to stability is the army which has largely remained apolitical. And another dextorous move was Juan Carlos' decision to grant the different Spanish nationalities and regions at least some of the rights they are demanding.

At present, the right-of-center moderates, the centrist Christian Democrats and even the Socialists seem to be prepared to give the King a chance provided he grants a general amnesty, legalises political parties, stimulates the economy and makes efforts to join the EC. If he fails, if he cannot overcome the probable obstruction of the far right and the far left, his country could follow its unfortunate neighbour Portugal into violence and anarchy.

hg

*World Economy*

## **Six in a Castle**

Giscard d'Estaing invited and the elect came. In the Castle of Rambouillet near Paris the heads of state and government of the industrial nations – the USA, France, Great Britain, Japan, Italy and the Federal Republic of Germany – arrived. Although France had conceived this summit in-

tending the "Six" to give the signal for starting the creation of a new world economic order, this seems to have been a too highly pitched expectation. Concrete measures or new ideas were not anticipated and did not come about.

No wonder that all of them want the reduction of unemployment in view of the 15 million unemployed in the western industrial countries, but further stimulating measures for the national economies are considered unnecessary at present. After the Scylla of unemployment nobody wants to be caught by the tentacles of the Charybdis of higher inflation. The fear of inflation made them also warn of further oil price increases. On the other hand, however, the USA's and France's differing views on the relations with the OPEC-cartel could not be settled, and Great Britain seems to stick to its intention of playing its role outside the EC-delegation at the oncoming Paris Conference.

But this does not mean that this summit was useless. Its advantage was not so much the compromise formula stating that in the medium term a system of "stable but adjustable" exchange rates is to be aimed at, but the fact that all of them agreed – of course with the exception of Great Britain – that a recourse to protectionist measures for the support of the individual economies should be avoided. A development of world trade free from stronger protectionism and further restrictions is urgently required to establish confidence in a worldwide recovery. Small wonder that no importance was attached to the stirring up of new uneasiness through new ideas about the creation of a new world economic order.

ogm

*Mineral Oil*

## **Britain Goes It Alone**

Leader writers and cartoonists had one of their fruitful hours. Witticisms about "Wilson as a future OPEC boss" or "the British in burnuses" made their interminable rounds. The reason for such highbrowism was the British refusal to entrust the defence of British interests in the ministerial conference convened to Paris by 27 industrialized nations, oil-producing states, and developing countries, where it is intended to negotiate about supplies and prices of energy and international commodities, to the joint delegation of the European Communities.

Whether the UK will profit from this behaviour remains to be seen. For, the British, whose interests in this matter seem to draw them more strongly to the side of the OPEC than to that of