

***ECONOMIC
AND
SOCIAL
STUDIES***

GRIMA
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TRADE AND PEACE: TRADITION AND THE
KISSINGER-NIXON FOREIGN POLICY
OF THE UNITED STATES

by PETER J. GRIMA*

'... without expansion of international trade, based upon fair dealing and equal treatment for all, there can be no stability and security either within or among nations... (Furthermore) the withdrawal by a nation (or group of nations) from orderly trade with the rest of the world inevitably leads ... to preparations for (a military or trade) war and a provocative attitude toward other nations.'¹

To what degree the above comment by Secretary of State Cordell Hull in November 1938, represents fundamental convictions found in the articulation of United States foreign policy, can best be assessed, by juxtaposing the following excerpt from Republican President Nixon's 'Report to Congress' on February 9, 1972:

'... some of our trading partners are following certain trade policies which adversely affect us ... Particularly worrisome are new preferential trading arrangements ... which ... constrain worldwide trade opportunities, ... weaken ... international economic relations and raise the risk of political tensions .. (Such a) retreat by any nation or group of nations into protectionism, or attempts to gain advantage by means of neo-mercantilist policies, will deal a severe blow to international cooperation which underlies the strength and prosperity of all nations.'²

In the thirty four years which span these statements, the foreign role of the U.S. may have subsumed differing salient characteris-

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¹Speech to the Foreign Trade Convention, quoted by V. KIMBALL 'Lend-Lease and the Open Door: The Temptation of British Opulence 1937-42' in *POLITICAL SCIENCE QUARTERLY* V. 86 #2 June 1971 p. 235.

²Report to Congress, *U.S. Foreign Policy for the 1970s: The Emerging Structure of Peace*, February 9, 1972 (USIS).

tics, however I suggest that these are not departures from the original matrix but nuances dictated by the co-temporaneous external and internal environments. The difficulty which is raised is one of determining, in the flux of politics, whether national security policy is informed by basic national policy goals, or whether the inverse is the case. Perhaps the suggested dichotomy is false, and the symbiosis of economic and security goals makes distinctive analysis meaningless. In this case we can assume that salience of security concerns suggests the state of threat to economic aspirations and goals. It follows therefore, that as Kimball suggests, the basic goals of American foreign policy are liberalization of world trade and the expansion of foreign markets.³ Any real or perceived threat or impingement upon these 'basic goals', is reacted to in various ways, i.e. a role supportive of powers defending these goals (Lend-Lease), assumption of leadership role (Truman Doctrine and Marshall Plan), containment and confrontation (defense alliances), and recently 'Ostpolitik' American Style. Underlying all these performances is a preoccupation with domestic prosperity and peace, as suggested by a proclivity to 'quid pro quo' in every contribution or other concession beyond U.S. boundaries.

Roosevelt's early reaction to war in Europe was that it would benefit America economically.⁴ As Nazi expansionism became more evident, he observed in early 1939;

'... democracies ... cannot safely be indifferent to ... acts of aggression ... (which) automatically undermine all of us.'⁵

Working from this conviction, he set about bringing the U.S. to a role supportive of Britain and France. Immediately following the outbreak of war in September, he succeeded in getting Congress to repeal the arms embargo provision from the 1937 Neutrality Act.⁶ The substance of the amendment was to include arms and armaments in the list of war material which the President was empowered to release for sale to belligerent states, against delivery and spot payment in the United States.⁷ The purpose of the original legislation, to keep America physically out of the war in Europe, did not change. True, it was the Western powers which benefitted from

³ KIMBALL, *op. cit.* p. 233.

⁴ KIMBALL, *ibid.* p. 239.

⁵ ALLEN, H. GREAT BRITAIN AND THE UNITED STATES: A HISTORY OF ANGLO-AMERICAN RELATIONS 1783-1952 (New York 1955) p. 778.

⁶ ALLEN, *ibid.* p. 795.

⁷ KIMBALL, *op. cit.* p. 238.

this amendment, presumably because of Britain's control of the Atlantic sea-lanes. However, it is premature to suggest that America was altering its neutral posture for a committed one, especially when one considers the financial difficulties Britain faced through shortage of dollars, which were the only means of exchange accepted by the United States.⁸

On his part, Winston Churchill, the British Prime Minister was eager to obtain full American commitment to Britain's side. One month before the fall of France, Churchill sent Roosevelt a cable on May 20 1940, the language of which was obviously intended to stimulate doubt as to whether U.S. neutralist policies would in fact guarantee American interests. In rhetoric of Churchillian depth, the communication read;

'... in no conceivable circumstances will we consent to surrender. (But) in ... parley amid the ruins ... the sole remaining bargaining counter with Germany would be the Fleet, and if this country was left by the United States to its fate no one would have the right to blame those ... responsible if they made the best terms ... for the surviving inhabitants.'⁹

The implications of a Nazi occupied Britain and a German controlled British fleet at large, are hardly encouraging, militarily or .../economically. The fall of France on June 22, heightened the credibility of the quasi-apocalyptic vision painted by Churchill four weeks earlier. Within three months of the French collapse, the United States had their first peace-time conscription Act, and the formal alliance of the three Axis powers on September 27, vindicated the sharpening of American apprehensions.¹⁰ Earlier, in July 1940 Roosevelt took a strong position on the question of aid to Britain, and arrangements were being considered for the transfer of American warships to the British, in exchange for the lease of Britain's Caribbean bases.¹¹ The deal was executed as a 'quid pro quo'. The United States obtaining free use of the naval bases in Newfoundland and Bermuda, plus 99 year leases on five other British Caribbean bases, giving America 'the most important (achievement) ...

⁸ Kimball in fact suggests that America's 'neutrality wall' was first 'pierced' in 1937, when 'cash-and-carry' was first introduced.

⁹ ALLEN, op. cit. p. 801.

¹⁰ ALLEN, *ibid.* pp. 806-8.

¹¹ ALLEN, *ibid.* pp. 803-4.

in the reinforcement of national defense ...'¹² Churchill's message had 'drawn blood,' and the Americans set about shoring up their defenses.

On the question of money, the U.S. was less prone to quick reaction. On May 15, 1940, Churchill communicated to Roosevelt;

'(Although we) shall go on paying dollars for as long as we can ... I should like to feel reasonably sure that when we can pay no more (in your currency) you will give us the stuff all the same.'¹³

In fact the British government was constrained by desperate urgency to forget the notion of conserving dollar assets, hoping that a solution to the momentarily less vital problem of finance would appear.¹⁴ Instead, pressures for Britain to divest herself of her American economic interests increased, and even though little was accomplished in this direction, the pressures .. /did not subside until the 'quid pro quo' debate surrounding Lend-Lease diverted attentions.¹⁵ Reacting to the British asset debate in the United States, Churchill, in outlining to Roosevelt on December 8, '... the various ways in which the United States could give supreme and decisive help to ... the common cause ...' warned that;

'... it would be wrong in principle and mutually disadvantageous in effect if Great Britain were to be divested of all saleable assets ... so that ... (w)e should be unable, after the war, to purchase the large balance of imports from the United States over and above the volume of our exports which is agreeable to your tariffs and industrial economy ...'¹⁶

Such a situation would almost guarantee the continuation and possibly extension of discriminatory trade practices. During the Lend-Lease negotiations the following year, Keynes confirmed Churchill's warning by indicating in no uncertain terms that Britain's grave postwar economic situation might oblige her to enter bi-lateral arrangements, which could very probably work against United States interests.¹⁷

¹²Roosevelt, quoted in ALLEN *ibid.* p. 808; vide also ROOSEVELT'S FOREIGN POLICY 1933-41, Unedited Speeches and Messages (New York 1942) pp. 273-6; KIMBALL *op. cit.* p. 243.

¹³Churchill, quoted in ALLEN, *op. cit.* p. 807.

¹⁴ALLEN, *ibid.* p. 808.

¹⁵ALLEN, *ibid.* KIMBALL, *op. cit.* pp. 240-1.

¹⁶Churchill, quoted in ALLEN *op. cit.* p. 809.

¹⁷GARDNER, R. STERLING-DOLLAR DIPLOMACY (New York 1966) pp. 32, 41-2.

Roosevelt was obviously aware of the consequences to American prosperity, of a Britain where Imperial Preference was compounded with barter trading. At a press conference in Washington on December 17, 1940, he articulated these concerns in broad terms, declaring that;

'(There) is absolutely no doubt in the mind of a very overwhelming number of Americans that the best immediate defence of the United/.../States is the success of Britain defending itself.'¹⁸

It is also conceivable, that when he gave his famous 'Arsenal of Democracy' speech towards the end of the month, Roosevelt's choice of analogy, in comparing the current grave situation to the earlier economic crisis, was not fortuitous, but intended to presage disastrous consequences to America's post-war economy if support of Britain remained pusillanimous and overly concerned with short-term returns. Certainly the following excerpts from that famous 'fireside chat' tend to support the hypothesis:

'We know now that a nation can have peace with the Nazis only at the price of total surrender ... Such a dictated peace ... would be only another armistice, leading to the most gigantic armament race and the most devastating trade wars in history ... Thinking in terms of today and tomorrow ... there is far less chance of the United States getting into war if we do all we can now to support the nations defending themselves against ... the Axis ... (Clearly) the course I advocate involves the least risk now and the greatest hope for world peace in the future.'¹⁹

One can almost extrapolate the suggestion that – 'peace dovetails with unhampered trade', which is a Hullean aphorism in reverse order – 'unhampered trade dovetail(s) with peace'.²⁰ Whilst one should not discount the speaker's conviction in the ideological content of his appeal, the 'nub' of the matter is articulated by Roosevelt in the introduction to his 'chat', as;

'... the whole purpose of your President is to keep you ... out of ... war for the preservation/.../(and enjoyment) of all

¹⁸ Roosevelt, quoted in ALLEN *op. cit.* p. 809.

¹⁹ ROOSEVELT'S FOREIGN POLICY *cit.* pp. 314-5.

²⁰ Congressman Cordell Hull during the Great War, quoted in GARDNER *op. cit.* p. 9.

things that American independence means ...'²¹

By definition, it is also the purpose of the President to defend the fruits of American independence – peace and prosperity, by whatever means are least costly in the long run, and most expedient under the circumstances. To refuse this conclusion is to suggest contradiction at least.

What followed this growing American awareness, that appeasement, of Hitler and his cohorts, however manifested, must produce negative returns, was Lend-Lease. The Bill, H.R. 1776 entitled 'An Act Further to Promote the Defence of the United States', was introduced early in 1941 and signed into law by Roosevelt on March 11, Churchill initially described it as 'the most unsordid act in the history of any nation'. What the Act did was enable the President, 'to dispose of (among other things) ... any defense article ... (and) defense information' to any foreign government whose defense was considered vital to the security of the United States, the only limitation on the President's jurisdiction being that funds so allocated depended upon the approval of Congress.²³ Swept away were all legal and financial obstacles to aiding Britain, or any other foreign state whose defense was necessary for the goals of the United States. The assurance that United States aid would not cease, as long as the recipient state could resist, was institutionalized.²⁴ By September 18, 1941 the first appropriation of 7 billion dollars had been almost totally utilized, and a further 6 billion requested.²⁵

Following the enactment of Bill H.R. 1776, Roosevelt articulated his country's philosophy on the occasion of Foreign Trade Week, and presaged the future world leadership role of the United States. In unequivocal terms he declared;

'... aggression menaces not only our foreign trade and our national business prosperity ... (but) circumscribe(s) the area within which the principles upon which we base our international commercial relations can operate. International commerce in a world dominated by totalitarianism would never be carried on for the mutual benefit of all. It would be ... con-

²¹ ROOSEVELT'S FOREIGN POLICY cit. pp. 310-1.

²² KIMBALL THE MOST UNSORDID ACT, LEND LEASE 1939-41 (Paltimore 1969) pp. 80-3.

²³ ROOSEVELT'S FOREIGN POLICY cit. pp. 340-2 'Text'.

²⁴ ROOSEVELT'S FOREIGN POLICY ibid. pp. 342-7, World Broadcast March 15, 1941.

²⁵ ROOSEVELT'S FOREIGN POLICY ibid. pp. 351-69, 494.

trolled for the ... advantage of THOSE NATIONS WHICH HAVE ALREADY DECLARED THEIR DETERMINATION ... TO SUBORDINATE TO THEIR OWN PROFIT THE WELFARE OF ... OTHER PEOPLES. Therefore it is idle ... to talk of future foreign trade unless we are ready ... to defend the principles upon which it must be based ... FAIR TERMS UNDER DEMOCRATIC PRINCIPLES ... (A)fter the emergency ... (we) must continue (this) leadership in the preservation and promotion of liberal economic policies ... (and to) fulfill ... (our) responsibility in rebuilding ... a world economy from the chaos into which it has been plunged by destructive trade restrictions ...'²⁶

Without underestimating the choice of argument as being made for the specific interest of the audience, the interpenetration of ideological and economic concerns, is similar enough to rhetoric directed at other audiences to make one wonder how much of the discourse is specifically directed. Also, whether it is not more likely that there is little unintended in the broader message, which emerges to indict all restraints on liberal trading practices, irrespective of their cause or source, outside the United States. Clearly, the Roosevelt Administration's persistent concern with preparing a Master Lend-Lease agreement which would ensure that 'Britain eliminate(d) her discriminatory trade practices in return for lend-lease',²⁷ and the President's 'unequivocal' refusal to commit himself on the issue of cancelling Lend-Lease debts,²⁸ argue in favour of the 'basic goals' theory, within which ideological and strategic behaviours become ancillary to overall purposes. Certainly this view helps explain also, why the United States, in formulizing an Anglo-American *entente* in the Atlantic Charter, without physically committing troops to aid Britain, attempted to include a provision against discriminatory trade practices.²⁹ A meeting of representatives from six U.S. Departments and Agencies concluded that the Lend-Lease Act would be a 'dominant factor' in United States trade with the British Empire,³⁰ and as the U.S. Ambassador

²⁶ ROOSEVELT'S FOREIGN POLICY *ibid.* pp. 387-8, emphasis added.

²⁷ KIMBALL, 'Lend-Lease and the Open Door...' *op. cit.* pp. 248-9.

²⁸ HERRING, G. 'The United States and British Bankruptcy 1944-45' in *POLITICAL SCIENCE QUARTERLY* *cit.* p. 264.

²⁹ KIMBALL, 'Lend-Lease and the Open Door...' pp. 250-2 ALLEN, *op. cit.* pp. 823-4 GARDNER, *op. cit.* pp. 42-53.

³⁰ Memo from Stettinius to Hull, quoted in KIMBALL *op. cit.* pp. 251-2 *vide* also *fn.* 46.

in London suggested;

'... there would probably be no better time to press the issue (of trade liberalization).'³¹

The Department of State's chief of Commercial Treaties directed;

'Our objective should be to use the lend-lease agreement to obtain commitments of real value to us.'

He then proceeded to advise mutual dismantlement of bilateral trade systems, and the abolishment of the Ottawa Agreement by the British.³² To convince the American people and Congress that Lend-Lease aid would not be used to compete with the United States in export markets, Britain even issued a White Paper in September 1941, confirming good faith.³³ However, British 'balking' at the wording of the American draft of the Master Lend-Lease agreement, produced no substantive concessions, and whilst Britain was directed to dispense with all discriminatory trade practices, 'the State Departments merely genuflected toward.../tariff reduction, certain that Congress would have the last say.'³⁴

Nothing in the letter and intent of the Lend-Lease Act suggests even a mild ideological caveat. There is the broadest scope for pragmatism in Presidential decisions to supply foreign countries 'in the interests of national defense (and welfare)'. Perhaps the most significant measure of this pragmatism was evidenced in the decision to help Russia, following the German invasion in June 1941. On August 2, the State Department informed the Russian Ambassador that the United States government had 'decided to give all economic assistance ... (to) strengthen (...) the Soviet Union' against Nazi aggression.³⁵ An 'afterthought' attempt in Congress on October 7, 1941 to amend the Lend-Lease Act to 'prohibit the use

³¹ KIMBALL, 'Lend-Lease and the Open Door...' pp.252 John Winant to Secretary of State Sept. 30/1941.

³² Hawkins to Dean Acheson Oct. 10/1941, quoted in KIMBALL 'Lend-Lease and...' p.252.

NOTE: The Imperial Preference system set up under the 1932 Ottawa Agreement gave Britain a stronger position in Commonwealth markets. In return, Britain accepted a larger volume of exports from Commonwealth countries. Vide P. BAGNELL & G. MINGAY Britain and America 1850-1939, A Study of Economic Change (London 1970) p.296.

³³ KIMBALL, 'Lend-Lease and...' pp. 250-2 ALLEN, op. cit. p.812.

³⁴ KIMBALL, 'Lend-Lease and...' pp. 253-4.

³⁵ ROOSEVELT'S FOREIGN POLICY cit. pp. 448-9.

of ... it's funds for loans to the Soviet Union' was clearly defeated.³⁶ Reinvoking the more remote past, in 1911 Theodore Roosevelt put the spirit of American foreign policy very succinctly when he observed;

'If Great Britain failed ... the United States would have to step in ... to re-establish the balance of power in Europe, never mind against (or in favour of) which country, or group of countries, our efforts may have to be directed ... In fact, we are ourselves becoming, owing to our strength and geographical situation, more and more the balance of power of the whole globe.'³⁷

One might add that America's external performance, at least since the late thirties, has followed this adage rather closely. Clearly, a rational belief in or adherence to 'basic goals', requires an attention to certain prerequisites such as the prevention of hegemony by maintaining a 'balance of power' in all international relationships. Certainly nothing which we have looked at thus far, and which we shall consider later, suggests that the United States has diverged from concerning itself with achieving the prerequisites which will protect and guarantee its 'basic goals'. To suggest with Herring,³⁸ that the manifestation of concern for post-war economic issues merely reflects the antics of an Administration, contending with the vagaries of a legislative branch 'recovering' slowly from isolationism under persistent constituent pressures, is simply to state the obvious technicalities and miss completely the execution of the overall purposes of American foreign policy. To disagree with the focus of Herring et. al. is not to ignore the picture which emerges from this critical period, of professional politicians, whose better informed perceptions of the prerequisites necessary, necessitate their manipulation of the political mechanisms to arrive at the mutually desired 'basic goals'. But men such as President Roosevelt, were clearly more than able politicians, in attempting to forestall aggression in Europe, and ultimately undertaking to ensure the maintenance of a 'balance of force' to prevent hegemony. Their action in this direction must also flow from sources other than pedestrian politics.

With Roosevelt's death in April 1945, and the coming of the Tru-

³⁶ WESTERFIELD, H. FOREIGN POLICY AND PARTY POLITICS: PEARL HARBOR TO KORMA (New Haven 1955).

³⁷ Quoted in ALLEN op. cit. p. 688.

³⁸ HERRING, op. cit. p. 261.

man administration, it has been suggested that United States foreign policy changes direction. The neophyte President shows greater susceptibility to Congressional pressures, and cancels the Lend-Lease programme. Congress was growing wary that Lend-Lease might be used to commit the United States to a post-war policy in a manner contrary to 'established constitutional procedure', probably because the administration of the Act had been considered 'wasteful'.³⁹ Truman's concern to keep 'faith' with Congress is as much a matter of expediency as of conviction. Perhaps not to his credit, the President was overly impressed with power dimensions implicit in exclusive nuclear capabilities. However, there are indications that this reaction was not lasting. Certainly the Truman Doctrine and the Marshall Plan demonstrated an awareness and concern, 'that the existing (disastrous) economic situation in Europe endangered the general welfare and national interest of the 'United States.'⁴⁰ The magnitude of the European economic crisis can be gauged from the situation of Britain. Estimates in 1944 showed that British post-war debts would bring her an annual deficit of one billion Sterling during the first three post-war years.⁴¹ But in the light of Congressional opinion, a British request in the summer of 1944, for an extension of Lend-Lease 'to facilitate . . . recovery' of exports, found no support in America.⁴² In fact Roosevelt's Administration held out little hope of convincing Congress at the time, to undertake even a 'modest' foreign aid programme.⁴³ Softening on his commitment for Phase II of Lend-Lease, under which Britain would have received \$2.8 billion in munitions and \$2.6 billion in non-munitions, Roosevelt stressed the rationale of domestic political pressures.⁴⁴ In fact by March 1945, Congress was fully determined to put the economic 'screws' on the Executive Branch and hold it to 'strict accountability for its acts'.⁴⁵ Diffident of Roosevelt's undertaking to end Lend-Lease when hostilities ended, Congress legislated, in March, a circumscribed in-

³⁹ YOUNG, R. CONGRESSIONAL POLITICS IN THE SECOND WORLD WAR (New York 1956) pp. 180-4.

⁴⁰ Quoted in VAN DER BEUGEL, E., FROM MARSHALL AID TO ATLANTIC PARTNERSHIP (Amsterdam 1966) p. 117, 1947, Administration's First Draft of Foreign Assistance Act (1948).

⁴¹ HERRING, *op. cit.* p. 261.

⁴² HERRING, *ibid.* p. 263.

⁴³ HERRING, *ibid.* p. 264.

⁴⁴ HERRING, *ibid.* p. 269.

⁴⁵ HERRING, *ibid.* p. 271.

terpretation of Lend-Lease which required 'that any supplies after the war ended or that did not contribute directly to operations must be paid for in cash.'⁴⁶ Truman, in acting consonantly with Congress, reflected a concern for broader implications of a resurgence of isolationism,⁴⁷ with attendant repercussions upon world peace and prosperity (not excluding the United States).

Before the Yalta Conference, in February 1945 a State Department position paper stated;

'It now seems clear that the Soviet Union will exert predominant political influence over (certain) areas in question. While this Government probably would not want to oppose such a (pro-Russian) political configuration, neither would it desire to see American influence in this part of the world nullified'.⁴⁸

Although presaging the Cold War and Containment, this is also a restatement of United States desire to maintain a 'balance of power' whilst accepting the principle of spheres of influence. Despite the obvious political-ideological cleavage, international cooperation still underlies all policy. Truman's 'message to the nation' in January 1947, in fact emphasized that the fundamental interests of the Soviet Union and the United States depended on world order, without which the process of reconstruction was seriously handicapped.⁴⁹ It was Kennan, U.S. Charges d'Affaires in Moscow, who, anticipating Churchill's famous 'iron curtain' speech, articulated the rationale for the imminent American policy of containment. In a communication to the Department of State he analyzed the fundamentals of Russian ambitions, and warned;

'... no one should underrate the importance of the Marxist doctrine in practical Russian policy ... This political force has complete power of disposition over the energies of one of the world's greatest peoples and the resources of the world's richest national territory .../.../It is seemingly inaccessible to considerations of reality ... For it, the vast fund of objective fact about human society is not ... the measure against which outlook is constantly ... tested and reformed, but a great grab bag from which individual items are selected arbitrarily and tendentiously to bolster an outlook already precon-

⁴⁶ HERRING, *ibid.* pp. 271-2.

⁴⁷ HERRING, *ibid.* p. 273.

⁴⁸ VAN DER BEUGEL, *op. cit.* p. 15.

⁴⁹ USDOS Bulletin V. xvi January 19, 1947.

ceived.⁵⁰

Elsewhere he decries Soviet expansionary proclivities as;

'... a fluid stream which moves constantly, WHEREVER IT IS PERMITTED TO MOVE ...'⁵¹

From such a subjective scenario there emerged the Truman Doctrine, promising to support 'free peoples who are resisting attempted subjugation by armed minorities or by OUTSIDE PRESSURES'.⁵²

Assistant Secretary of State for Economic Affairs, Clayton, hit the heart of the matter in a memorandum issued in January 1947, following a visit to Europe, in which he observed;

'The reins of leadership are slipping from Britain's hands. They will be picked up by the United States or by Russia. If by Russia, then the BALANCE OF WORLD POWER will tum against America ...'⁵³

In the light of such a leitmotif, one can better appreciate the hegemonic apprehensions implicit in a statement by Secretary of State Marshall in June, to the effect that;

'... Europe's requirements ... are so much greater than ... her ability to pay that she must have substantial (U.S.) ... help, or face economic social and political deterioration ... the consequences (of which)/.../to the economy of the United States should be apparent to all ...'⁵⁴

Like Clayton had done earlier in the year, Marshall proceeded to advocate that the best way to meet this European economic challenge of global implications, was to undertake a massive assistance programme.

The record of the Truman years shows that the warning was well heeded. From the Truman Doctrine through the European Recovery Programme of the Marshall Plan, the evidence is clearly suggestive that United States foreign policy in containing Soviet expansion towards hegemony, was a product of 'basic' concerns for world economic recovery, without which liberalization of trade remained an academic concept. In May 1947, Secretary of State Acheson ob-

⁵⁰ Quoted in ALLEN op. cit. p. 894.

⁵¹ Quoted in ALLEN *ibid.*.. from Q. Rovere & A. Schlesinger 'The General and the President and the Future of American Foreign Policy (New York 1951) p. 235, emphasis added.

⁵² Quoted in ALLEN *ibid.* p. 896, emphasis added.

⁵³ Excerpted from a 'summary' in GARDNER op. cit. p. 300.

⁵⁴ Quoted in ALLEN op. cit. p. 897.

served that;

'It is generally agreed that until the various countries of the world ... become self-supporting there can be no political or economic stability in the world and no lasting peace or prosperity for any of us.'⁵⁵

The language, and probably the intent, is certainly reminiscent of Hullean convictions which equated prosperity and peace as the products of political stability and rational economic policies in a healthy economy.

To answer the question whether American policy really took the long view, and prepared for a world of healthy national economies where liberal trading practices prevailed, one can consider United States efforts in the projected International Trade Organization. At the I.T.O. discussions in Geneva, as elsewhere, the American policy was unequivocal in intent – 'to wreck beyond hope of repair' the British Imperial Preference system, and to block the emergence of any other type of discriminatory trading practice.⁵⁶ Clearly, there is little validity in offering political tactics as substitutes for 'basic goal' manoeuvres, which one can submit remained consistent.

In the light of the work of the Truman Administration, in the area of economic aid, the efforts towards European integration symbolized in attempts to set up the European Defence Community, and the policy of containing Soviet expansion (most notably in Berlin and Korea), the Eisenhower-Dulles are brought no departure from the 'basic goals' perspective, and little if any change in tactics. Reacting to the rejection of the European Defence Community Treaty, and pressing for ultimate European cooperation, Dulles issued a joint communique with the German Federal Chancellor from Bonn in September 1954, which read;

'... there was complete agreement that European integration was so vital to peace and security that efforts to achieve it should be resolutely pursued and ... not ... abandoned because of a single setback.'⁵⁷

Two days earlier, Dulles had already informed Anthony Eden that;

'... it was immaterial ... (which system) ... was better or

⁵⁵ Quoted in GARDNER *op. cit.* p. 301, from USDOS Bulletin xvi (1947) p. 992.

⁵⁶ Vide GARDNER *ibid.* p. 349.

⁵⁷ Quoted in Van Der Beugel *op. cit.* p. 307.

worse than EDC ... as the means of uniting Europe ... (to stand (...)) on its own feet without American help ...'⁵⁸

Explicit in these statements is the American view that strategic concerns for the emancipation of Europe have decidedly broader economic purposes. One can hardly escape the inference that the political and economic soundness of Europe are indivisible in United States perspectives, and this climate in Europe (as globally) is most desirable for American peace and prosperity.

President Kennedy's concept of partnership with the economically and politically sound Western Europe, was a natural corollary to prior American concerns for some form of European 'unity'. In January 1962, Kennedy proposed legislation to Congress;

'... to welcome a single partner (E.E.C.) ... no longer divided and dependent ... to share with us the responsibilities and initiatives of a free world ... TO FURTHER SHIFT THE WORLD BALANCE OF POWER TO THE SIDE OF FREEDOM (AND FREE TRADE) ...'⁵⁹

This Trade Expansion Act passed both House and Senate by very decisive bipartisan majorities.⁶⁰ Perhaps the President was premature in his design, since Europe did not yet include Britain. Britain's accession to the Community was taken into account in Kennedy's emphasis of the point of a collaboration of equals, guaranteeing strong relationships, and sharing 'the great ... tasks of building and defending a community of free nations.'⁶¹ Clearly, the 'sine qua non' of this 'grand design' never did materialize. DeGaulle not only blocked Britain's entry into the Common Market, but consistently refused even to 'genuflect' to the notion of European political union.⁶² Perhaps the French President did not share Kennedy's vision of an Atlantic partnership underpinned by two equal economic, political, military 'pillars', even if France formed the 'capitellum' on one. It is conceivable also that President Kennedy was looking for an affluent partner to subsidize American global defense commitments,⁶³ which DeGaulle probably perceived clearly were ancillary to American 'basic goals' rather than condi-

⁵⁸ Quoted in Van Der Beugel op. cit. p. 308.

⁵⁹ Quoted in Van Der BEUGEL *ibid.* p. 371, emphasis added.

⁶⁰ VAN DER BEUGEL, *ibid.* p. 372; House 298 to 125, Senate 78 to 8.

⁶¹ VAN DER BEUGEL, *ibid.* pp. 373-4.

⁶² VAN DER BEUGEL, *ibid.* pp. 376-85.

⁶³ Vide, B. COHEN 'U.S. Foreign Economic Policy' in *ORBIS* v. XV Spring 1971 pp. 232-46.

tioned by the views and needs of foreign 'friendly' states.

Kennedy's prescriptions for the 'Free World' were not strikingly successful. The Kennedy Round negotiations did substantially lower tariff barriers on trade, but they did not stem the inward orientation of the E.E.C. (or Japan), nor the expanding parameters of preferential trading arrangements of the Economic Community, so that the 1970s witnessed America's economic and political protégés blossoming into economic giants 'effectively challeng(ing) American leadership in world economic affairs.'⁶⁴ Cohen suggests that the United States, when playing the role of 'central banker for the world', was less than discrete in adopting a balance of payments policy based upon its own priorities, and in consequence the dollar 'glut' of the late 1950s developed into the 1968 'run on the bank' to trade dollars for gold, which culminated in the decontrol of the private gold market.⁶⁵ This 'denouement' put the United States in a paradoxical position, unable to trade gold for dollars it was allowed to maintain its world central bank role, but only because there was no 'dumping' of the dollar, with the corollary that new American foreign endeavours cannot with economic safety counter the expectations of supporting economies.⁶⁶ The emerging reality is a militarily powerful United States, whose economic vulnerability greatly circumscribes its freedom of action.

In this perspective the Nixon-Kissinger demarche (sic), not only loses its élan, but emerged as the classical crusade for the 'basic goals' of peace and 'unhampered trade' by way of the preordained (under the economic realities) and not unknown tactic of expanding the circle of friendship, to cultivate alternative markets and guard against a hegemony (of whatever nature) that threatened the fundamental aspirations of America. The fact that the Nixon-Kissinger team was 'pioneering' an opening to the East, was in no small measure due to the fact that America's 'supporting economies' had, for some years at least, adhered to a similar attitude as the best means of relaxing world tensions. In this light, Nixonian reiterations of faith to pre-existing treaty commitments must be considered as so much recorded thunder. Wood puts it succinctly in the following passage;

'The Military Assistance Program, since its inception (with Lend-Lease and more specifically with the 1947 \$400 million

⁶⁴ COHEN, *ibid.* pp. 237-8.

⁶⁵ COHEN, *ibid.* pp. 235, 244.

⁶⁶ COHEN, *ibid.* p. 245.

appropriation in aid of Greece and Turkey, has been supported by every American President. (But) Congress has not changed the statutory MAP mission with its emphasis on promoting "the ... security and general welfare of the United States"⁶⁷.

What is perhaps surprising, is that the extent of the opposition to American policies in Vietnam did not bring the freedom of Executive action to its nadir.

The basic thread that runs through the variegated fabric of United States foreign policy is one of concern for a prosperous peace, at least for the period examined. The elements of this concern were the ensuring of non-discriminatory trade practices by foreign states, and the prevention of development of a foreign hegemony containing proclivities to set up restrictive trade practices. Never are the domestic and external political tactics abstruse enough for one to lose sight of the purpose to which they are ancillary. United States dislike of the British restrictive trade system was, if anything, more frequently and clearly articulated than the apprehension of the implications of an Axis victory for American peace and prosperity. As Soviet hegemonic designs became more evident in the American mind, wartime assistance and cooperation against potential restrictions of Nazi hegemony deteriorated into a policy of hostile containment. The vigour with which ALL restrictive trade systems were opposed by the United States in the various international discussions (ITO, GATT) during a time when ideological (sic) confrontation was institutionalized in the Cold War, presaged the 'Ostpolitik' American Style, and gives Cordell Hull's observation the validation of an adage. Some remarks by Nixon's Secretary of the Treasury Connally take in the contemporary scenario as seen through the eyes of a United States policy-maker;

'... the essential underpinnings of (the post-war world) ... (are) gone ... The developments of (recent years) ... (indicated) that the industrial nations were hurtling toward a time of tension and (economic) paralysis ... Under such a climate ... works of peace and accord between ... East and West ... (and) liberality in trading relations between industrial nations (are almost impossible). Such a climate ... give(s) impetus to protectionism, parochialism, and the ultimate folly of economic isolationism ... In these times, as much as in all times past, traders are destined to succeed, where soldiers and dip-

⁶⁷ WOOD, R. 'Military Assistance and the Nixon Doctrine' in ORBIS cit.

diplomats⁶⁸ could not ... at weaving the countries and continents ... into one world ... (T)he commitment of the United States to ... liberal trade ... is UNCHANGED and UNCHANGEABLE ...'⁶⁹

Flanked by two economically equal 'giants' – Europe and Japan, both controlling and questioning American economic leadership, the United States best remaining 'bargaining counter' was her military power born of past and potential economic might. The Nixon-Kissinger programme seemed to be wanting to prevent the development of a Japan-Europe economic 'axis', the hegemony of which has demonstrated the ability and proclivity to 'choke' most opportunities for American initiative. By extending the cooperative horizons of the United States, the Nixon-Kissinger team demonstrated distinctly traditional pragmatic American approaches in coming to grips with basic economic concerns. Conceivably also, what was being attempted was a balancing of economic power, by giving prominence to the inherent wealth of numerical size and military capability, which neither Europe nor Japan dispose of, in unity or equal measure.

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DISPERSION OF PRE-TAX BASIC PAY RATES IN MALTA

by E.P. DELIA*

This paper records the dispersion pattern of the *basic pay rates* of wage and salary earners in Malta in census years 1957 and 1967. Studies of labour's *aggregate remuneration rates* i.e. basic rates plus bonuses, overtime payments and non-financial fringe benefits, cannot be carried out; statistical data are inadequate in quality and in quantity. For the same reason it is not feasible to analyse the personal or the household income dispersion within a set time period or over time i.e. to graph the time profile of personal or household incomes.

The compilation of data about income and wealth composition and ownership has only recently been initiated in Malta; this late start in collecting such statistical information, crucial for socio-economic planning, seems common to many developing countries. It is hoped, therefore, that this paper's modest contribution would be of interest to researchers engaged in worldwide comparative studies of labour 'income', however defined, and also to those 'development economists' active in constructing socio-politico-economic indices for evaluating the existence or otherwise, of a trade-off between distribution and productivity policy targets in less developed countries.

The dispersion 'basic rate' patterns of different work categories are introduced through a series of coefficients expressing the relation between centile values and the median i.e., P_i/P_{50} . Both the percentile and the median values refer to a particular sub-group.¹ The structural economic composition of the Maltese economy in

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¹See (2). An alternative method expresses the same relationship in terms of the median of the universe, i.e. P_i^s/P_{50}^u where

P_i^s = percentile value in a sub-group

P_{50}^u = median of the universe.

This method is selected after conflicting results were obtained from the estimated values of the Gini coefficient, log variance and the coefficient of variation. Besides a series conveys more information than a summary statistic.

the two census years is first briefly outlined; an appreciation of the changes in the underlying socio-economic conditions should contribute towards a proper evaluation of the observed basic rates pattern.

MALTA'S ECONOMIC SECTORS: 1957, 1967

Post-war Malta's economy is characterised by the relatively high provision of tertiary services, mainly in the form of facilities to Britain's naval and military forces. In the fifties local employment is, in the greater part, directly provided by the U.K. Defence Establishments, by the Malta Government's (public) sector, and by a commercial sector catering for the imports of consumables for the natives and the foreign troops and their families stationed in the island. The manufacturing sector and tourism are conspicuous by their absence; consequently, also restricted was the 'production-profit motive'.²

Britain's decision to gradually dismantle its bases in Malta created the urgency to restructure Malta's economic sectors with the intent of gearing them to production for world-wide consumers' markets. Diversification of economic activity, spelled out in a series of quinquennial development plans starting in 1959, was to be attained through the extension and the improvement of ship-repair facilities, the setting-up of eight manufacturing industries, tourism and, to a minor extent, the reorganisation of the agricultural sector.

The census years under study, therefore, represent two points in time each one within a different type of economy; 1957 immediately precedes while 1967 reflects the partial effects emerging out of a transformation process leading to 'market-oriented activities'.³

²It is important to distinguish between 'Production Profit' and 'Commercial Profit' (Importer's profit). Commercial profit is based primarily on commissions representing a percentage of total sales per time period; this 'service' income would reflect the tastes of local consumers for foreign-produced goods and services and arises out of the marketing stage in the production-sales process. Production profit, on the other hand, arises out of the initial stages in the process; it is influenced both by the import cost of raw material and transport and by the export cost of the finished product to the distributing outlets, if the good is sold abroad.

³The term refers to conditions where supply of commodities arises to meet actual or potential consumers' demand. It is contrasted to a 'military-oriented' economy where decisions regarding quantities and prices reflect demand arising out of political (strategic) expediency rather than consumer-market conditions.

A static impression of economic activity in the two years could be formed by analysing the composition of the active labour force and the relative sectoral contribution to Gross National Product⁴ (tables 1 and 2). These data are assumed to reflect the gradual

Table 1

WORKING POPULATION OF THE MALTESE ISLANDS

1957, 1967

EMPLOYMENT SECTOR	1957		1967	
		% OF LABOUR FORCE		% OF LABOUR FORCE
Agriculture & Fishing	8410	9.50	6950	7.04
Construction & Quarrying	5420	6.13	10320	10.46*
Manufacturing Industries	8670	9.80	19660	19.92
Electricity and Gas	100	0.11	790	0.80
Commerce	11120	12.57	12790	12.94
Transport, Storage & Communication	3780	4.28	4030	4.08
Business, Recreational and Personal Services	7560	8.55	10430	10.55
Government Services	16970	19.14	18580	18.44
U.K. Defence Depart- ments (Civil)	19560	22.84	7350	7.45
(H.M. Forces)	3550	3.19	2420	2.45
Total Gainfully Occupied	85140		93310	
Unemployed	3284	3.71	5387	5.46
Labour Force	88424		98697	

Source: Department of Labour

*The increase in labour engaged in construction and quarrying indicates the initial effects of a real-estate boom the Maltese Islands went through in the years 1966-1969.

⁴Gross National Product is preferred to Gross Domestic Product in order to account for the favourable net transfer payments item which cannot be considered negligible in the Malta case.

Table 2

INCOME BEFORE TAX	1957		1967	
	£M	% OF GNP	£M	% OF GNP
	MILLION		THOUSAND	
PERSONS				
Income from Employment:				
(a) U.K. Service Departments	8.6	22.57	4937	8.20
(b) Private Industry:				
Agriculture & Fisheries	0.2	0.52	221	0.37
Construction	1.6	4.19	1954	3.25
Manufacturing	1.3	3.41	6697	11.12
Transport	0.9	2.36	1579	2.62
Wholesale & Retail	1.4	3.67	1280	2.13
Other Services	0.3	0.79	2531	4.20
(c) Government:				
Construction	1.3	3.41	933	1.55
Government Enterprises	0.8	2.89	1554	2.58
General Government	3.3	8.66	7603	12.63
(d) Employers' Contribution to Social Security	0.2	0.52	659	1.09
Income from Self Employment	11.3	29.52	15793	26.23
Rents, Interests and Dividends	5.4	14.17	7335	12.18
Current Grants from Public Authorities	1.2	3.15	—	—
COMPANIES:				
Undistributed Income of Companies	0.5	1.31	3684	6.12
PUBLIC AUTHORITIES:				
Profits of Government Enterprises	0	0	720	1.19
Rents Received	0.2	0.52	320	0.53
Interests and Dividends	0.8	2.09	2405	3.99
Less Current grants to Persons	-1.2	-3.15	—	—

Source: Central Office of Statistics

underlying changes in the social outlook of the working and entrepreneurial labour categories, which, complemented by imported know-how, are essential to compete in international commodity markets; in the past, the commercial importer had to consider the limited domestic market and to establish a sales strategy suited to local demand conditions. Such an insulated approach to trade, together with labour's attitude of disregarding the time factor in the production of a service – common in the U.K. Defence Establishments in peace time – are expected to change as the sectoral structure of the economy is altered.

Note the sharp decline in employment and income contributed by the U.K. Defence Establishments: from an aggregate 26.03% in 1957 to 9.9% in 1967, and from a direct contribution of 22.6% to 8.2% to GNP. The respective relative share of the manufacturing outlets demonstrates an opposite pattern: 9.8% to 19.92% in employment and 3.41% to 11.12% in share to GNP.

Over the period emigration was unavoidable; it proved to be a short-term stabilising factor in the labour market. Table 3 presents data for migration movements for the two years and comparison with unemployment information is introduced by estimating the 'emigration unemployment equivalent' obtained by accounting for emigrants, male and female, aged fifteen to sixty in terms of labour force.

Table 3

MIGRATION FLOW 1957, 1967

YEAR	EMIGRATION	RETURNING MIGRANTS	NET	% OF LABOUR FORCE*
1957	3585	1671	1914	2.76
1967	3971	36	3935	2.97

*Statistic is obtained by expressing the number of emigrants aged 15-60, males and females, as a percentage of the labour force. No adjustment is made to account for fact that, as a rule, at that time Maltese housewives did not undertake paid activities outside their homes, farmers' wives excepted. End of year data are used.

BASIC PAY-RATE DISPERSION: 1957, 1967

The series of coefficients applied has the merit of abstaining from the use of the mean values which are influenced by the relatively few frequencies at the topmost 'income' classes, distribution being positively skewed. The method also indicates whether two distribution curves intersect and the region of intersection.

The percentile values are estimated from smooth S-shaped functions drawn to fit the frequency data available; the results would thus be comparable to various studies carried out for other countries.⁵ Data are obtained from the 'Report on Economic Activities - Malta Census 1967' (Central Office of Statistics, Malta 1971). The report refers to respondents indicating their 'wages and salaries' earned in census *week*; these 'earnings' are interpreted as the basic pay rates of respondents. Certain activities, being seasonal (e.g. farm-hands), would not imply a corresponding annual remuneration rate. This aspect demands emphasis, for generally studies about earnings distribution are restricted to those employees continuously engaged full time for an arbitrarily stipulated weekly amount of time for a specified period, say, a year.⁶ Although it could be argued that most of the reported returns apply to a regular activity i.e. on an annual continuum, yet in some cases, mainly female workers, the earnings could represent a periodic financially-remunerated activity.⁷

Frequency distribution data for 1957 and 1967 are available on a five-category basis; information available is therefore somewhat 'risky' to utilise for interpolating the degree of dispersion. Moreover, the class-intervals are uneven and the top-most class is open-ended.⁸ The highest income category is bounded; the class-mark suggested, though not directly utilised, would produce a Pareto alpha equal to 7. Fortunately, an additional break-up of wage-salary rates is available for 1967 comprising nine income classes and a different sectoral break-up. The information obtained from this second table was used as a guide and in part projected to estimate intra-class dispersion within the five-category 1957, 1967 frequency distribution classification.

⁵ Compared to results obtained from a continual, linear S-shaped curve, the interpolated results in the tables below tend to *underestimate* the values of the *highest* percentiles and *overestimate* the values of the lowest percentile, the diversion depending upon the shape of the smooth cubic function.

⁶ See (1).

⁷ Such cases are mainly restricted to the agricultural sector where housewives assist their husbands, or hire their services for a few days, during short periods of the year, say, sowing or harvest time. Occasional work could also be assumed to prevail in the 'personal service' sector.

⁸ The 5-class classification of 'earnings' is as follows:

Under £M3; £M3-4; £M4-10; £M10-15; £M15 and over, and additional 9-class classification, available for 1967, includes:
 £M0-3; 3-4; 4-6; 6-8; 8-10; 10-15; 15-20; 20-30; 30 and over.

Table 4

DISPERSION OF PRE-TAX BASIC PAY RATES OF MALE AND FEMALE WAGE AND SALARY EARNERS, 1957

CATEGORY	MALES									MEDIAN (£M)	NUMBER OF EMPLOYEES
	P ₅	P ₁₀	P ₂₅	P ₇₅	P ₉₀	P ₉₅	P ₉₆	P ₉₉			
1. All occupations	.3333	.5088	.7544	1.2281	1.3333	1.3860	1.5439	1.6140	7.125	48,615	
2. Professional, Technical or Related	.4624	.5836	.7818	1.1818	1.4909	1.6970	1.9700	2.4848	8.25	2,702	
3. Administrative, Executive and Managerial	.4143	.5286	.7371	1.357	1.9286	2.557	3.486	3.9143	8.75	1,101	
4. Clerical and Sales	.3793	.5136	.7562	1.2125	1.3136	1.4820	1.8356	1.9198	7.423	7,355	
5. Farming and Fishing	.2207	.4089	.7177	1.3765	1.647	1.7529	1.8118	1.8470	5.313	549	
6. Quarrying and Mining	.5818	.6433	.7818	1.218	1.3455	1.3909	1.4273	1.4364	6.875	993	
7. Transport	.5370	.6196	.7678	1.2593	1.3889	1.4444	1.5556	1.7037	6.75	3,834	
8. Crafts, Other Industrial and Construction	.2736	.4713	.7279	1.2547	1.4057	1.4717	1.4906	1.4943	6.625	25,853	
9. Public and Personal	.3208	.5283	.7279	1.2547	1.4993	1.4717	1.5279	1.698	6.625	6,228	
FEMALES											
1. All occupations	.4444	.5600	.8889	2.2767	3.3333	3.778	4.1656	4.2767	2.25	9,928	
2. Professional, Technical or Related	.3118	.6237	.7936	1.258	1.4834	1.6344	1.7088	1.8925	5.813	2,228	
3. Administrative, Executive and Managerial	—	—	—	—	—	—	—	—	—	—	
4. Clerical and Sales	.2623	.3934	.6065	1.5738	2.1312	2.3607	2.5246	2.6053	3.813	1,686	
5. Farming and Fishing	—	—	—	—	—	—	—	—	—	—	
6. Quarrying and Mining	—	—	—	—	—	—	—	—	—	—	
7. Transport	—	—	—	—	—	—	—	—	—	—	
8. Crafts, Other Industrial and Construction	.4444	.5000	.8889	1.3333	1.8819	2.8036	3.778	4.1111	2.25	1,216	
9. Public and Personal	.4444	.5000	.8889	1.3333	2.1389	3.0000	3.8889	4.2222	2.25	4,721	

Note: (i) $P_i = P_i/P_{95}$ above corresponds to Michal's P_{95} in (2).

(ii) There are 5 income classes in every work category.

Source: REA, Table 5D.

Table 5

DISPERSION OF PRE-TAX BASIC PAY RATES OF MALE AND FEMALE WAGE AND SALARY EARNERS, 1967

CATEGORY	MALES										MEDIAN NUMBER OF (\$M) EMPLOYEES
	P ₅	P ₁₀	P ₂₅	P ₇₅	P ₇₀	P ₉₅	P ₉₈	P ₉₉			
1. All occupations	.3958	.5347	.8472	1.0972	1.625	1.9028	2.4444	2.5833	9.00	55407	
2. Professional, Technical or Related	.4811	.6138	.8197	1.4709	2.2011	2.5820	2.8783	3.0265	11.813	4156	
3. Administrative, Executive and Managerial	.3317	.4390	.6777	1.6293	2.2049	2.556	2.8098	2.9268	12.813	1666	
4. Clerical and Sales	.4487	.5962	.8205	1.1410	1.5997	2.2056	2.5385	2.9487	9.75	7097	
5. Farming and Fishing	.3696	.5652	.8144	1.2609	1.5652	1.7217	2.826	3.2609	5.75	788	
6. Quarrying and Mining	.6417	.7667	.8167	1.156	1.2833	1.290	1.3243	1.5000	7.50	566	
7. Transport	.5564	.6692	.8196	1.1203	1.4211	1.7143	2.2256	2.4662	8.313	6301	
8. Crafts, Other Industrial and Construction	.4160	.5520	.7680	1.1520	1.344	1.616	1.888	2.144	7.813	23898	
9. Public and Personal	.4444	.5694	.7981	1.111	1.4583	1.7639	2.2222	2.528	9.00	10935	
FEMALES											
1. All occupations	.2778	.4028	.5833	1.639	2.222	2.6667	3.222	3.5000	4.50	15165	
2. Professional, Technical or Related	.2981	.4583	.7222	1.257	1.5481	1.6869	1.9444	2.1389	9.00	2978	
3. Administrative, Executive and Managerial	.2927	.4390	.6698	1.6342	2.390	3.415	4.9756	5.707	5.125	117	
4. Clerical and Sales	.3810	.5386	.7967	1.2857	1.6667	1.9643	2.4762	2.8095	5.25	3008	
5. Farming and Fishing	.4167	.6042	.8333	1.3333	2.250	2.833	3.500	4.00	3.00	125	
6. Quarrying and Mining	.4805	.7746	.8542	1.4149	1.7297	1.7085	2.9365	3.737	4.683	125	
7. Transport	.3571	.5179	.7500	1.2857	1.857	2.250	2.6071	2.7143	3.50	3046	
8. Crafts, Other Industrial and Construction	.4167	.6042	.8333	1.500	2.333	2.771	3.167	3.2917	3.00	5804	
9. Public and Personal											

Note: See notes (i) and (ii) to Table 4 above.

Table 6

DISPERSION OF PRE-TAX BASIC PAY RATES OF MALE AND FEMALE WAGE AND SALARY EARNERS 1967

CATEGORY	MALES											MEDIAN (£M)	NUMBER OF EMPLOYEES
	.4531	.625	.8394	1.2416	1.7188	2.1875	3.4375	4.0625	8.00	55407			
1. All Occupational Groups	.500	.585	.760	1.350	1.840	2.420	2.74	2.86	12.50	4156			
2. Professional, Technical or Related	.3333	.4476	.6191	1.6191	2.3048	2.6476	2.895	3.0667	13.125	1666			
3. Administrative, Executive and Managerial	.5211	.6620	.8169	1.3662	1.7107	2.0282	2.6197	3.1268	8.875	7097			
4. Clerical and Sales	.3148	.4907	.7778	1.148	1.3148	1.4344	2.5185	3.1482	6.75	788			
5. Farming and Fishing	.6667	.7910	.8833	1.1167	1.2167	1.2667	1.3166	1.500	7.50	566			
6. Quarrying and Mining	.5873	.7216	.8486	1.1429	1.5079	1.8095	2.4127	3.1429	7.875	6301			
7. Transport and Communication	.3030	.4394	.7576	1.1364	1.3788	1.6364	2.000	3.8182	8.25	10693			
8. Crafts	.5172	.6724	.8621	1.1034	1.2586	1.5517	2.1724	2.4483	7.25	8434			
9. Construction	.3833	.550	.8167	1.15	1.450	1.8667	2.700	3.366	7.50	4771			
10. Other Industrial	.5714	.6917	.8271	1.187	1.5639	1.7744	2.2256	2.9474	8.313	10935			
11. Public and Personal													
FEMALES													
1. All Occupational Groups	.5152	.6182	.7576	1.5152	2.3030	2.9697	3.4546	4.00	4.125	15165			
2. Professional, Technical or Related	.300	.4357	.7286	1.3143	1.60	1.7286	2.1744	2.8386	8.75	2978			
3. Administrative, Executive and Managerial	.5102	.6205	.7722	1.8202	3.9713	4.8538	5.4538	7.1156	4.533	117			
4. Clerical and Sales	.3954	.5581	.7674	1.3023	1.5814	1.9070	2.3721	2.6977	5.375	3008			
5. Farming and Fishing	.6539	.7846	.9231	1.2308	1.5946	2.1539	3.2308	4.00	3.25	125			
6. Quarrying and Mining	.4625	.725	.80	1.2	1.5225	1.85	2.65	3.50	—	—			
7. Transport and Communication	.6071	.7286	.8571	1.2143	1.5	1.6786	2.0714	2.3571	5.00	125			
8. Crafts									3.50	1506			
9. Construction	.4211	.7368	.7719	1.2281	1.5088	1.7544	2.3158	2.667	—	—			
10. Other Industrial	.50	.875	.7917	1.4167	1.9167	2.3333	2.8333	3.25	3.563	1495			
11. Public and Personal									3.00	5804			

Note: (i) There are 9 income classes in every work category.

Source: R.E.A. Table 5C.

The coefficients are self-explanatory. Comments are therefore limited to two observations which should be constantly remembered when data for the two years are compared.

First, the use of common nomenclature for the two censuses contributes to the amalgamation of distinct economic activities, the determining element distinguishing between activities being the motivation that gives rise to demand for labour services. For instance, the term 'executive' would refer in 1957 mainly to executive posts with the Malta Government or/and the British Defence Departments; in 1967, however, managerial posts with private manufacturing and tourist enterprises would be included. So whereas in 1957 executive posts and salaries were not geared to what is defined above as 'production profit', in 1967 some of the executive jobs and their related salaries correspond to output and sales. Job security, a fringe benefit for the Government executive, would not be automatically transferred to the private company executive.

In addition, conditions of work would differ as between the two sectors, Public and Private. So, while the nominal salary could be lower in Government employment, fringe benefits, apart from job guarantee, could favour the incumbent of a public post, for example, a non-contributory after-service pension scheme, or a lessmentally-strenuous type of work. The Private executive, however, could count upon other types of non-taxable benefits, say, business-cum-pleasure trips abroad. Knowledge of fringe benefits in a gradually transforming Maltese economy is becoming essential before a satisfactory evaluation of the *net* remuneration distribution could be attempted in the future.⁹

Secondly, data collected in the census suggest that the length of the working week was at the time negatively correlated to the income bracket – the higher the salary, the fewer the officially declared hours worked.¹⁰ It is observed that in the relative ab-

⁹ Government intervention in industry, either to assist those firms in financial difficulties or to control the basic economic activities within the community, could influence overall wage and salary scale if financial remuneration schemes in Government controlled companies are set on the pattern of pay structure within the Government 'administration' sector. Such a pattern could be established in Malta within the next quinquennium.

¹⁰ Vid. REA, Tables 4D and 4E. Hours per week, in 1967, varied from an aggregate (male and female) of 38.82 in the 'Community and Business Service' sector to 49.60 in 'Food Manufacturing'. Length of work week

sence of unionised labour, in the private manufacturing, service, and construction/quarrying activities in the census years, the hourly remuneration rates were not established prior to the hiring of labour services; rather what was determined was a weekly wage with hours of work differing among the production units. Following the introduction of a basic forty-hour week (a policy started in 1972 and gradually being introduced in the organised-labour sector) changes in job remuneration would automatically imply changes in hourly rates.

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for males varied from an average minimum 40.54 in the 'Community and Business Service' sector to 50.05 in 'Personal Services' sector and 50.17 in Manufacturing sector.

It should be observed that the 'official hours of work' need not be the actual hours: for a manual worker the time spent on a job would represent the full time devoted for an activity for which he is paid — 'official' and 'actual' hours should be taken to be the same. But for an executive, more time could be devoted to solving or anticipating job problems than that indicated by the official work schedule. In this case, 'official' and 'actual' work effort would differ.

MEDITERRANEAN REGIONAL POLICY

by PETER SERRACINO INGLOTT*

THE object of this paper is to outline a possible strategy of trans-national institutional development at the regional level for the Mediterranean, but it offers us no more than a framework within which the major questions might possibly be discussed by the various specialists in their respective areas of competence (and in the variety of their interactions). The first part sketches out the thoughts at the back of the institutional proposals sketched out in the second part.

The first point to be stressed is the recognition of the desirable complementariness of global and regional policies and institutions, both with regard to the Law of The Sea in particular, and to the New Economic Order in general.

With regard to the Law of the Sea, it was conceived from the start as a project to set up global institutions which did not exclude, but on the contrary called for subsidiary regional institutions as well. This recognition of the complementariness of global and regional institutions continues to be reflected in the actual state of the text under debate, however disappointing it may be in many respects.¹ Indeed, the disappointing nature of the institutions likely to emerge at the global level calls for attempts to seek to reinforce institutions at the regional level. Such attempts are all the more necessary in those areas, like the Mediterranean or the Caribbean, where the application of the concept of the common heritage is most obviously superior, when one counts the advantages to be reaped, over that of the extensions of national rights. Of course, developments at the regional level must be so conceived as both to dovetail into and enhance, not obstruct or diminish, those at global level.

With regard to the more general context of the new economic order, it appears by now to have been generally recognised that there was a basic defect in the first major Club of Rome report,

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¹ See Single Negotiating Text (S.N.T.) I (20); II (50, 53, 105, 133-135); III (5, 6, 10, 11, 14).

The Limits of Growth. A challenging attempt to describe the world as a single system in which both natural and cultural factors interact was made, but because of its purely global approach, the importance of regional diversity tended to be discounted. Hence, both burdens of responsibilities and possible remedies were distorted. The second major Club of Rome report, *Organic Growth*, then took regional differences into account; but the principles according to which the regionalisation of the world was set out by the Mesarovic-Pestel team appears debatable. It was of the type to which a harsh critic might even be tempted to apply the epithet 'backward-looking' because of being continent-centred, as opposed to the forward-looking, because ocean-centred, type.² The Mediterranean, in particular, from the continental-centred point of view, simply ceases to be itself a region, and its bits become bits of different models according to which regions can be conceived.

The first kinds of criteria are such politico-economic ones as are used in the Law of the Sea S.N.T. as the basis for representation on the Council of the Seabed Authority. It is clear that from this point of view, it is not at present, nor is it likely to become in the immediate future, possible to consider the Mediterranean as a coherent region at all. Within the area, the major divisions of the world criss-cross: the differences between East and West, characterised by conflicting political ideologies, the differences between North and South characterised in terms of stages of economic development, the cultural differences, involving notably those between now secularised and other still theocratic societies. The whole tangle is, of course, made more complex by the existence of the Palestinian-Israeli problem.

It is true that positions have been put forward which could, theoretically, produce coherence out of this chaos. The doctrine of non-alignment in the East-West competition, that of self-management as a principle of internal national organisation, and that of cultural dialogue might be taken to constitute the components of a coherent whole. But the practical chances of its being achieved in practice in the short-term must be considered to be dim. It follows that, if these kinds of political-economic criteria were adopted as the only ones, then it would make no immediate sense to discuss the Mediterranean as a region.

However, there are other kinds of criteria on the basis of which

²See: Pardo and Borgese: 'The New International Order and the Law of the Sea: A Projection'. (I.O.I.: Occasional Papers) Malta, 1976, to which the rest of this paper is obviously greatly, and perhaps abusively, indebted.

to consider the rational constitution of regions. At least two such models should be considered.

The first model is the continent-centred regionalism, such as that towards which European Federalism tends, is both the handiest and most relevant example. Such a model pictures of the continental region as essentially a federation of nation-states to be achieved by the process of the gradual transfer of power from the smaller to the larger unit. The model still retains the modern Western idea of centralized and monolithic sovereignty at its basis – an idea related to, and perhaps rooted in, in the idea of absolute private ownership as developed in the tradition of Roman Law. It has, therefore, an inbuilt tendency to operate in the jungle-competitive manner of private owners and nation-states, but on a larger scale, with similar results only writ large. Such a regionalism, although it certainly tends to reduce the number of sources of conflict which exist among the nation states, has been shown by experience to be not only very difficult to realise, but also ambivalent in the global perspective for the stated reason.

In the context of the Law of the Sea text, continental regionalism might come to be expressed eventually in the kind of regional centres and offices which the Seabed Authority may set up, with regional enterprises for the exploitation of the continental shelf beyond twelve miles. Such institutions would probably fit in, for example, with the collective interest of the European Economic Community, as at present constituted, if this collective interest proved strong enough to overcome other fissiparous factors.

In the context of the Mediterranean, however, continent-centred regionalism appears to yield unrealistic as well as undesirable results. On the one hand, if the present Mediterranean complex is looked at in terms of the stage of development reached, it can be readily seen that there is no simple North-South division between its parts corresponding to the continents of Europe and Africa. There is a very complex tangle caused by the non-coincidence of the frontiers of nation states with socio-economic and ecological realities. The most obvious example is Italy, where the political unit ranges from very highly developed to underdeveloped parts. But there too are many other examples for them to be listed. A continent-centred regionalisation is bound to render the problems of the establishment of a new economic order in the Mediterranean more difficult than it already is.

On the other hand, the prospect of neo-colonialist relationships is likely to be evoked if, instead of picturing the North and the South sides as drifting apart into two separate continental folds,

the European and the African, the picture of a Euro-Mediterranean region is presented. The present problems of the European Common Market may suggest that European regionalism is ailing partly because it lacks a proper Mediterranean component, but the E.E.C. is unlikely to get the needed cure by merely aggregating some more Mediterranean countries into its present state; these countries would instead catch Europe's sickness. It appears, therefore, that what may be required is a radical change of the hitherto dominant model of conceiving the development of regional institutions.

An alternative model is provided by ocean-centred regionalism. This type of regionalism has arisen recently in relation to environmental policy, fishery management and scientific research, especially in connexion with enclosed or semi-enclosed seas, such as the Caribbean or the Mediterranean. Here, the space was not yet blocked as on land by the institutions of national sovereignty and private property. The concept of the common heritage, which is related to, and perhaps rooted in, the idea of social ownership, as distinct from both private and state ownership, could still be applied, as was originally envisaged on a global scale by the proponents of the new Law of the Sea. With reference to the Mediterranean, it does not seem to have either of the characteristics of both impracticality and undesirability of the continental-centred regionalism when considered from the point of view of the area. Indeed, even the most cursory examination of Mediterranean history shows very clearly that the periods of sea-centredness coincide precisely with the periods of prosperity, and vice-versa.

The strategy appropriate to the adoption of such a model has been labelled Political Functionalism. However, this label should not be allowed to lead to confusion, due to the existence of the sociological school which also goes by the name of Functionalist and with which Political Functionalism has little, if anything, to do.³ Although there is a contemporary phenomenon which points most clearly to its contemporary relevance, namely the growth of the trans-national companies, the functional idea also harks back to the political institutions which preceded the birth of the nation-states, namely, the complex system of specialized and often overlapping jurisdictions typical of the Middle-Ages, the phenomenon which Perry Anderson has called 'the parcellisation of sovereignty'.⁴ Anderson has stressed that, in the period before the birth of

³See: Haas E.B.: 'Beyond the Nation State', Stanford, California, 1964.

⁴Anderson P.: Passages from Antiquity to Feudalism, London 1974, pp. 147-153.

the modern nation-states in Europe, 'political sovereignty was never focussed in a single centre. The functions of the State were (on the one hand) disintegrated in a vertical allocation downwards, at each level of which political and economic relations were, on the other hand, integrated.' The division of sovereignty was into 'particularist zones with overlapping boundaries, and no universal centre of competence'. Moreover, there were two types of areas of competence – one, the manorial, essentially related to the unit of production, and another, the territorial, essentially related to geography. Such a twofold division of competence offers strong similarities to the type of the very structure set up in the Yugoslav self-management based Constitution. It implied a dynamic tension within its structure, with Courts of Justice as the central modality of political power instead of strong, central, legislative-executive institutions.

Sea-centred political functionalism would, indeed, be much more in accordance with Mediterranean tradition than a European-African centred polarization. In fact, divisions have of course always existed in the Mediterranean which, if it is a system at all, remains today, as it has always more or less been, a complex of subsystems. But a careful examination of history, which it would be both outrageously impossible and out-of-place to attempt here, would certainly show that a real fracture, in the sense of aloofness between the Northern and the Southern parts, only occurred quite recently. At least in the period from the emergence of Islam until the contemporaneous decline of Ottoman power and the rise of European colonialism in the area, the model of Mediterranean history can be pictured as follows: the regional contained two areas which were politically and culturally distinct, but nevertheless so clearly related in terms of geographical, ecological and other communication factors, that the existence and identity of each of them could be and was only asserted and developed in their mutual relationship. This relationship, necessitated by those factors which amount to what Braudel has called 'structure', was however ambivalent, in the sense that each side sought to profit from it in two contrary ways – by seeking to transfer its own characteristics on the other and also by borrowing from the other such characteristics as it lacked. The result of such a relationship was a constantly changing power equilibrium between the two. The dynamic character of this relationship was only destroyed and the balance reduced to a static and non-dialectically developing condition of mutual cultural and political aloofness by the coincidence of the Ottoman decline and the European colonial interventions. Even though these inter-

ventions could not be and were not the same kind of thing as where they occurred in areas with a cultural as well as a power vacuum, they produced the deepest fracture ever experienced in the Mediterranean world.

It is now, for various reasons, impossible, even were it desirable, to reproduce the dynamic and dialectical cultural equilibrium of the pre-imperialist times, exactly as it existed before the imperial deluge of last centuries. But it is possible to anticipate a similar result if the road towards implementing the ocean-centred type of regional model is taken up and pursued to some possible measure of fulfillment.

The starting point of such a road should be those perceived and ascertained needs for which technically viable institutional solutions can be set up, especially in those space which have not already been pre-empted by nation-state organisations, or where international organisations of the required kind already exist; the continuation of the road would include the weaving of these institutions into an ever-spreading web, ensuring the increasing participation and acquisition of experience by as many people as possible in their running.

From the political point of view, a frontal attack on the most apparent problems of the area requiring an international solution is avoided because of scanty prospects of success. This does not imply that urgent short-term responses to such problems do not have to be made, but that at the same time the task of working towards longer-term solutions by other, even if more circuitous, routes should be taken in hand. The creation of some new structures of transnational government may prove to be a surer way to ensure a radical orientation towards peaceful development, than the attempt to resolve immediately the political divisions of the Mediterranean nation-states. This bypassing route implies a three-fold task:

First, strengthening existing institutions which play a significant Mediterranean role;

Secondly, creating one by one new institutions to fulfil urgent and necessary functions that are at present not being fulfilled by any agency;

Thirdly, setting up integrative machinery to ensure the harmonious operation of all these bodies, with the maximal participation of Mediterranean citizens, and the continued development of Mediterranean peaceful co-operation.

The existing Mediterranean institutions with a regional competence are the following:

A. FISHERIES

The General Fisheries Council for the Mediterranean (GFCM) is a body of the Food and Agriculture Organisation of the United Nations. It was set up in 1949 with a wide competence in the field of fisheries research, scientific advice, training, statistics, standards, etc. GFCM has recently decided that its competence should be extended to aquaculture and fish-farming.⁵ It is also currently increasing its *de jure*⁶ and *de facto* involvement in the 'adoption, implementation, and enforcement of conservation measures,'⁷ particularly the protection of living resources and fisheries against pollution. It is to be hoped that its role will extend to the study of pharmacological properties of algae and other marine flora, research, extraction and marketing assistance.

The Symposium held in connection with the GFCM's 12th session emphasized the fact that 'many of the constraints impeding a more rational use of Mediterranean fisheries were institutional in nature'. These are problems of:

- enforcing management measures,
- of improving fish distribution,
- of improving statistical collection systems,
- and the need for training at all levels,
- need to improve communications between scientists, administrators and fishermen.

If the GFCM is strengthened to deal adequately with these regional problems, it could be an important component of the envisaged institutional network of the Mediterranean.

B. ENVIRONMENTAL PROTECTION

The second institution is the Mediterranean Action Plan of the United Nations Environment Programme (UNEP). UNEP on a global level has a competence in geophysics; global pollution and health; ecosystems and natural resources; and economic and social programmes related to the environment.

Part of UNEP fund goes into ocean-related projects, including several regional programmes. UNEP's action plan for the Mediterranean, presented at the Barcelona Conference,⁸ involves (1) An

⁵ GFCM/XIII/76/12,13. This involves COPRAQ-GFCM's Co-operative Programme of Research into aquaculture.

⁶ GFCM/XIII/76/4,5.

⁷ GFCM/XIII/76/2, March 1976.

⁸ This key UNEP Mediterranean Conference, was held on 28 Jan.-4 Feb. 1975; the major objective was the adoption of the Action Plan.

assessment programme whereby monitoring and research will give us a clear idea of the ecological state of health of the Mediterranean sea; together with assistance training and equipment. (2) The evolution of a *legal basis* for regional co-operation: this involves oil dumping; oilspills, land-based pollution, etc. (3) A programme to incorporate *environmental safeguards in the future development* of the Mediterranean region.

Detailed information for this programme will be gathered on protection of soils, recycling of fresh water, resource economics, waste treatment, aquaculture, and the environmental aspects of *tourism* and *industrial* development.

(4) A network of stations for information and action in case of oilspills (arising for example from the increased Suez traffic) and other disasters.

The Action Plan and the network of monitoring stations should be developed into an integrated Mediterranean institution in charge of pollution control and environmental management. The *legal basis* for regional co-operation on pollution, which was part of the plan, has now been given an adequate basis in the Single Negotiating Text of UNCLOS. This should now be applied to the special needs and problems of the Mediterranean sea. In particular: protocols on oil-spills, shipping lanes to avoid congestion of marine traffic and consequent accident risks; and the dumping of noxious liquid substances; marine pollution from rivers (Rhone, Po and Ebro) and from pesticides from agricultural use.

As regards the *assessment programme*: the International Marine Science newsletter stated in 1974 that 'Perhaps the worst problem in the Mediterranean is the lack of agreed baselines from which one can monitor pollution-included changes'. For such purposes, and also in connection with the disaster-action station network, a regional station is being set up in Malta.⁹ The whole network should be established as speedily as possible and consolidated. The same should be said with respect to the 'Environment and Development' aspect of UNEP's Mediterranean Action Plan.

⁹ CMPMRP (Co-ordinated Mediterranean Pollution Monitoring and Research Programme). The Expert Consultation on the Joint Co-ordinated Project on Pollution in the Mediterranean, 8-13 Sept. 1975, IOC (UNESCO), WMO, UNEP, develops operational documents for two pilot projects: (a) baseline-studies and monitoring of oil and petroleum hydrocarbons in the sea, (b) coastal transport problems of pollutants.

C. SCIENTIFIC EXPLORATION

The existing Mediterranean structure in the field of co-operation in marine science consists of the following bodies:

1. Intergovernmental Oceanographic Commission (IOC) (UNESCO, Paris).
2. International Commission for the Scientific Exploration of the Mediterranean (ICSEM) (Monaco).
3. Co-operative Investigations in the Mediterranean (CIM) (a joint project of IOC, ICSEM, and GFCM).¹⁰

Starting from the third one, we may note that CIM has the job of setting appropriate basic research priorities and proposing them to the scientific workers in the laboratories of the Mediterranean research centres.

ICSEM is a scientific body which carries out marine research, especially biological and issues scientific reports.

The IOC, operating as a sub-agency of UNESCO and composed of representatives from 91 countries, has among its functions the co-ordination of certain other U.N. organisations in the field of marine sciences: its specifically Mediterranean interests are reflected in the CIM and its interests are mainly in the general area of physical oceanography, namely ocean science, ocean services, and training, education and mutual assistance. IOC is also involved in two projects within U.N.E.P.'s Mediterranean Action Plan.

The Co-operative Investigations of the Mediterranean like certain of IOC's other 'Co-operative Investigations' bodies, was not envisaged to be an ongoing body, although it could become so. In fact, in a March 1975 meeting of the IOC, this Commission was concerned with 'the types of regional mechanisms to be set up to replace the co-operative investigations of the commission upon their termination'.¹¹ In the case of the Mediterranean, it seems that CIM at least until recently was a mosaic of national programmes rather than an integrated regional programme.¹²

This type of situation clearly increases the attractiveness of the idea of strengthening CIM and ICSEM solidly integrating them into a Mediterranean institutional network. Whatever the outcome, the

¹⁰ Besides many Mediterranean countries, participating states include: the Federal Republic of Germany, Austria, Belgium, Bulgaria, U.S.A. (observer), Rumania, U.K., Switzerland, U.S.S.R.

¹¹ 3-9 March 1973, Cini Foundation, Venice.

¹² Dr. M. Ruivo, in Report of the First Meeting of the International Co-ord. Group of C.I.M., F.A.O., H.Q., Rome, 10-13 Oct. 1972.

essentially interdisciplinary nature of ocean studies with both physical and biological aspects of the marine environment, it could, indeed, function as one of the regional scientific centres envisaged by the draft text on the Law of the Sea.

Thus, there are three existing Mediterranean structures to be modified and strengthened:

- A Fisheries Body,
- An Environmental Protection Body,
- A Scientific Exploration Body.

New institutions are required because certain functions, not yet provided for by appropriate regional institutions, now have considerable importance and urgency.

D. SEABED ACTIVITIES BODY

A regional centre is required to regulate the activities on the seabed. The main requirement envisaged relates to oil, gas, and mineral extraction from the seabed and beneath; such a body could also deal with other uses of the seabed, such as human submarine settlements.

The prospect of finding increasingly significant quantities of oil under the Mediterranean sea, and the prospect of conflicts, between adjacent or opposite nation states, make a Seabed body particularly urgent.

The Seabed body would seek to establish common ownership solutions whenever and wherever feasible, possibly in the light of the arrangements established by the Eems-Dollard Treaty between Germany and Holland in the North Sea. With this body as with other existing or proposed regional institutions, there should be a machinery for settling disputes on a regional basis. Current conflicts, notably the Greek-Turkish disagreements over the Aegean oilfields and the oil-related demarcation dispute between Malta and Libya, underlines proposal. In such cases if disputed areas, the Seabed body should be empowered to declare common ownership over the disputed areas and arrange for pooling costs and sharing profits among the participating countries.

E. ENERGY BODY

Because of the scale of today's energy problems, and because of the ocean's potential in this respect, an institution is required to allow the Mediterranean States to carry out a co-operative programme of scientific research, technological innovation, exploitation and mutual assistance to ensure the equitable sharing of results, with regard to unconventional sources of energy.

The Mediterranean sea could then be used as a common source of energy through such means as:

1. Geothermal gradients.
2. Wave energy.
3. Wind energy or surface of the water.
4. Solar collection on water surfaces.
5. Currents.

F. ECONOMIC INSTITUTIONS

A Mediterranean Development Bank could be established in order to achieve a more balanced growth in the area by helping to channel capital resources available in countries of the region for the development of the region.

The tasks of such a bank and associated institutions should eventually be expanded, to aid for instance in rationalising Mediterranean agriculture, and help establish common Mediterranean policy vis-a-vis the EEC.

The Beirut charter also proposed a Mediterranean fund, which would help cushion the effect of environmental measures taken by towns and to assist establishments such as sewage treatment plants.

Besides reforming three existing bodies and adding new ones, an integrative institution, a kind of Mediterranean Council, is then required, to:

(a) harmonise the activities of these bodies in view of the normal interactions and possible conflicts of uses of Mediterranean marine space and resources;

(b) consider the needs of other activities not at present regulated (in a Mediterranean context) by any institutions. Proposals and action on creating new projects and bodies would be within the competence of the Council, for, besides those mentioned several other regional bodies can be envisaged, ranging from, for instance, a central statistical data bank to an institution for the protection of submarine archaeological and historical treasures.

The Mediterranean Council could be composed of two chambers, in a manner analogous to the Yugoslav self-management model where one chamber is based on work units (factories, etc.) and the other on residential units (citizens of the area).¹³ In the Mediterranean case, there could be, on the one hand, a *Technical Chamber* formed of the policy making bodies of all the participating techni-

¹³Cfr.: 'Social Property' — Report of an International Seminar, held at the University of Malta by the Extension Studies Board and the International Ocean Institute, ed. P. Serracino Inglott.

cal institutions, which are transnational structures, which are 'larger' than the nation-state. However, the history of the Mediterranean, as Marx noted, is the history of its towns and their hinterlands, which for centuries have been the basic unit of Mediterranean life.¹⁴ Therefore, for the second chamber of the Council, there should be perhaps envisaged a *civic or political chamber* based on subnational institutions, namely municipalities of Mediterranean towns. This would be closer to the life of the people of the Mediterranean and afford a measure of popular participation in the running of the Council. The civic chamber could arise out of the United Towns Organisation, which already exists as an association of municipalities and has contributed to the growth of consciousness of the unity of the Mediterranean environment by the 'Beirut Charter on the Protection of the Mediterranean Sea against Pollution'. The Civic Chamber would not be another technical body; it would operate along with the technical bodies, in such a way that decisions of the Council would always involve the Civic Chamber and that part of the Technical Chamber whose technical competence is closest to the issue at hand.

Setting up the institutions that have been described is a matter for political decision-makers. However, one of the most important and necessary roles belongs to scholars in universities and research institutions, and relates to the state of knowledge about the Mediterranean as a region and as a system. The importance of the broad-based collecting, collating and distributing of data is obvious, but it may be in place to emphasise the related task of forming the conceptual basis and devising the analytical tools which these new regional bodies need for their operation co-operation.

Work was done along these lines at the Split Conference of Pacem in Maribus held by the IOI in Yugoslavia. In this an attempt was made (Rosen) to present a method for carrying a systems analysis of the various ecological, economic, social and political factors involved in the Mediterranean 'systems'. As far as I know, there has been no serious attempt to put this into practice, and it was obvious that the method itself could be improved.

For this reason, an attempt has been made at the University of Malta to produce a method or language for describing complex systems; it has not yet been used to build a model of the Mediterranean, but it is intended to attempt a description of the system of conflicting multiple uses of the region in this language. A paper is available for those who are interested, and discussion or preferably co-operation on it is very cordially invited.

¹⁴ See: K. Marx, *Pre-Capitalist Formations*, 1964, London, pp. 77-78.

COOPERATION IN MEDITERRANEAN SYSTEMS RESEARCH

by ANTHONY MACELLI*

THE purpose of this paper is to suggest methods of analysis which could be used as the basis for the co-operation of several Mediterranean Universities and other research institutions. Each could assign itself part of the global task and later one or two workers from each institute could meet and carry out the subsequent integrating of the various outcomes into one model (e.g. a simulation and forecasting model) or other analytical tool (e.g. a checklist of important factors, a tree-graph of causes and effects and event probabilities). Such a tool could then, while undergoing continual elaboration and updating, be used as the basis for the co-ordination and management tasks of a central Mediterranean institution of the type that has recently been proposed.* (Serracino Inglott, 1976). The institutional proposal, in slightly modified form is presented in Fig. 1.

It is becoming increasingly necessary to visualise the immediate future along these lines, because of the increasingly urgent problems that face the region as a whole. Among these are the seriousness of industrial and agricultural pollution of this closed sea, not least in terms of its effects on tourism; the need to find markets for Mediterranean agricultural products; the extensive great-power presence; the overfishing problem and the inequitable exploitation patterns of fishing areas; the recent technological potential for oil and mineral exploitation of the seabed; the related problem of the demarcation lines for the sovereign zones, the economic zones, and what may become the 'common heritage' of the high seas; and the broader problem of underdevelopment, a problem which may be considerably alleviated through the transfer of capital from the EEC, through using the 'oil money' and immigrant repatriation.

If it is desired to produce a model of Mediterranean activities which are of interest, and if the model is to be useful for heuristic purposes and possibly for forecasting and management purposes,

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G.F.C.A.
(FAO)

MEDIT.
ACTION
PLAN
(UNEP)

1 I.O.C.
(UNESCO);
2 ICSEM;
3 C.I.M.

Medit.
Activ.
of the
United
Towns Org.

fisheries

environmt.

science

towns

(above) Existing Mediterranean Institutions

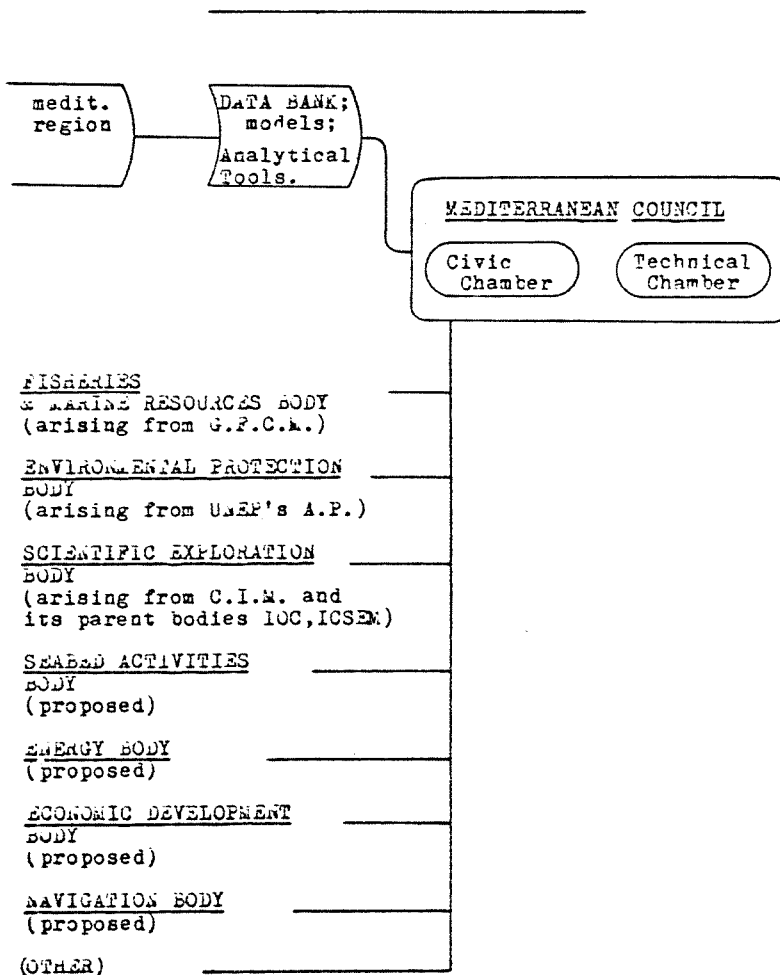


Fig. 1. *Proposed Integrated Regional Institutional Framework.*
(after Serracino Inglott)

it makes very little sense to merely come up with regression equations that faithfully mimick the behaviour of certain measures over the past years.

Both in spite of their possible complexity these equations would not be very useful for understanding and prediction, although they might be very good summaries of past data. They 'describe' without 'explaining'. It is thus desirable to arrive at a set of important factors and set of important interaction processes among these factors or measures. The use of simple regression equations is not excluded in determining the shape of some of these relationships, but for many others no such data will be available and intelligent guesses have to be made about the approximate mathematical shape. Thus when the whole model is finished, the effect of the size, of the complexity, and of the imprecision of some of the equations will combine to create an overall behaviour of the model that does not faithfully mimick historical data. Notwithstanding this, it may be as valid a way of describing the present and the future as one can get, provided that the choice of factors and processes has been carried out with sufficient insight. The reason is that the underlying structure of the system, rather than its superficial behaviour will have been determined.

Here we shall assume that the objective is to arrive at a set of factors, or measures, grouped by compartment, as well as a list of the linkages among these factors in terms of influence, using the paradigm of dependent/independent variables. When some knowledge is obtained about these causal and mutual-causal linkages, a computer simulation model may be constructed if desired. The manner in which one can do this is described in another paper (Macelli, 1976). However, other kinds of models and analytical tools may be acceptable alternative outcomes.

We may envisage a set of n subregions making up the Mediterranean. At a high level of aggregation, n will be small, and one of the subregions would be a group of countries. At a lower level of aggregation, subregions would be identical with countries, while at a still lower level, a subregion must be subnational, for example Southern Italy, or Rhodes. We also imagine m sectors of interest within each subregion. For simplicity we choose the sectors so that they occur in every one of the n regions, although the parameter values and the nature of the relationships may differ in the corresponding sectors of different subregions. A third list might be w parts of the common Mediterranean environment (such as the atmosphere and the high seas, etc.) including also some parts of the broader world environment, the latter considered in highly aggregate form.

The set of all t, k pairs such that the t 'th subregion significantly affects the k 'th subregion, in at least one of its sectors, is*

$$\phi = \{(t, k) | 1 < t, k < n; t, k \text{ significant inter-subregional link}\}$$

For one subregion, the i 'th sector influences the j 'th sector, usually through a variety of processes. Some i, j pairs can be excluded for convenience if not very significant. The set of (i, j) pairs which remain is denoted by

$$\psi = \{(i, j) | 1 < i, j < m; i, j \text{ signif. intersectoral local link}\}$$

We assume that subregions share much of this pattern of internal linking among sectors. If we now consider typical 'foreign' intersectoral links, namely those between the i 'th sector of the t 'th subregion as cause and the j 'th sector of the k 'th subregion ($t \neq k$) as effect, we may denote the set of included (i, j) pairs by

$$\psi' = \{(i, j) | 1 < i, j < m; ij \text{ signif. intersectoral foreign link}\}$$

If we now let ${}_t S_i$ denote the i 'th sector of the t 'th subregion, and ${}_t S_i \cdot {}_k S_j$ denote an intersectoral 'foreign' or 'local' interaction, then the set

$$R = \left\{ \begin{matrix} S \\ t i \end{matrix} \cdot \begin{matrix} S \\ k j \end{matrix} \mid (i, j) \in \psi \text{ if } t = k; (i, j) \in \psi' \text{ if } t \neq k; (t, k) \in \phi \right\}$$

is the set of all intersectoral interactions which are to be considered. It is useful to get some idea of the number of elements in this set, or $N(R)$. If each subregion is significantly affected by f others besides itself there are $n(f+1)$ region-region links if we include the n cases of a subregion interacting with itself. For local intersectoral interactions, suppose that each sector is on average influenced significantly by b others; then we have $m(b+1)$ sector-sector links within each of the n subregions. For foreign intersectoral links, we might expect that for a given pair of interacting subregions, a sector in the second is influenced by an average $(b'+1)$ sectors from the first, where b' is likely to be considerably less than b . Thus for any of the nf pairs of linked subregions, we expect $m(b'+1)$ foreign intersectoral links, a total of $nfm(b'+1)$ such links. Thus

$$N(R) = nm((b+1) + f(b'+1))$$

The rapid rise of $N(R)$ for quite slow changes in the other para-

*In set notation, $\{m | m \in M, \text{ etc.} \dots\}$ means 'the set of all elements or entities such as m where m is a member of the set M etc. ...'

parameters in this equation is illustrated below, for enabling a choice to be made of the size of the system to be studied

number of subregions	n	5	5	5	20	30
number of sectors in each subregion	m	5	5	4	10	10
inter-subregional connectivity	f	4	3	3	6	6
intersectoral (local) connectivity	b	3	2	2	6	6
intersectoral (foreign) connectivity	b'	2	1	1	2	2
number of intersectoral interactions	$N(R)$	400	225	180	29,400	44,100

It is clear that for any useful number of regions and for several intra-subregional sectors, the connectivity b' across subregional boundaries between one sector and a foreign one must be kept to the absolute minimum in order to keep the task down to a size that is manageable by a small team of workers. With 30 subregions each having 10 sectors of interest, and with local intersectoral connectivity of 6 (each sector affected by 6 others in the same subregion), and if each sector is on average affected by only 3 foreign ones in every typical subregion – subregion link, then there are 44,000 intersectoral links to investigate in spite of the fact that each subregion is influenced by no more than 6 foreign subregions. These simple considerations should help to place in perspective the problem of trade-offs between manpower for research and feasible levels of resolution and depth of research. (See Figs. 2, 3).

The appropriate method appears to be to start with a highly aggregate grouping of sectors, and also of countries, and attempt to eliminate some cells representing insignificant interaction possibilities. A cell is retained if there is a link between the first and the second subregion through one or more 'processes' (flows of influence, materials, money, etc.). Wherever possible lists of likely processes should be general so that they can be modified for different subregion or pairs of subregions. The matrix of cells obtained by crossing the list of sectors with itself (fig. 5) may help at this stage. There will be one matrix for *local* interactions, with n subsequent variations, one for each subregion. After the unrequired cells are eliminated, the cell indexes will form the set ψ . In such a matrix the rows and columns dealing directly with Oil, Tourism, and Ecology will be emphasised more than the rest, with

the result that some cells are de-emphasised. In the latter one need enter notes only about processes which are necessary to make complete and consistent the entries in the more important segment of the matrix. In this type of matrix one can indicate directed interactions, that is, there is one cell for the influence of sector i . on j and there is another cell for the influence of j . on i . Also, each cell on the diagonal, such as (k, k) refers to only one sector, and so it can be used to enter a broad model of *intra*-sectoral behaviour including the main variables and their pattern of linking. The extent of detail in the diagonal cells will depend on one's research emphasis: thus, for example, if one is interested mainly in the interactions between certain sectors and the demography sector, it will not be necessary to work towards a simulation of the demographic sector itself, although it will be necessary to represent at least descriptively or exogenously some of its broad characteristics, e.g. population growth.

Taking from fig.3 the D-list of only 8 sectors we have constructed such a matrix, but we have found that at this level of aggregation it is unrealistic to eliminate any cell, because a significant process of intersectoral interaction almost always exists, owing to the broadness of definition of a sector. However, if nothing else such a matrix provides a classification scheme for intersectoral interactions within one subregion, and it can help a consideration of differences among subregions.

A similar matrix is obtained (Fig.6) for foreign intersectoral influences, where the cause-sector is in a different subregion to the effect-sector. This is a kind of prototype for 6 foreign-type matrices, one for each of the six subregions (again taking the most-aggregated list) which are to be on the receiving end of foreign interactions. At this level it will be possible to eliminate many of the cells, since foreign interactions are much smaller in number. Feedback loops, or closed paths of interaction, will appear at this stage: they may be seen by examining the one local and the six foreign matrices together. For facilitating the use of these 'foreign' matrices, it may be advisable to start with another matrix, formed by crossing the list of subregions with itself. If there are six Mediterranean subregions, the 36 resulting cells may be used to jot down the significant intersubregional links and flows, for example—emigrant flows from the Maghreb to Iberia; revenue flows, oil flows, agricultural dependencies, tourist flows, etc.

Notes of the above-mentioned investigations might include preliminary lists of significant factors, sources of data, accessible

Coastal States

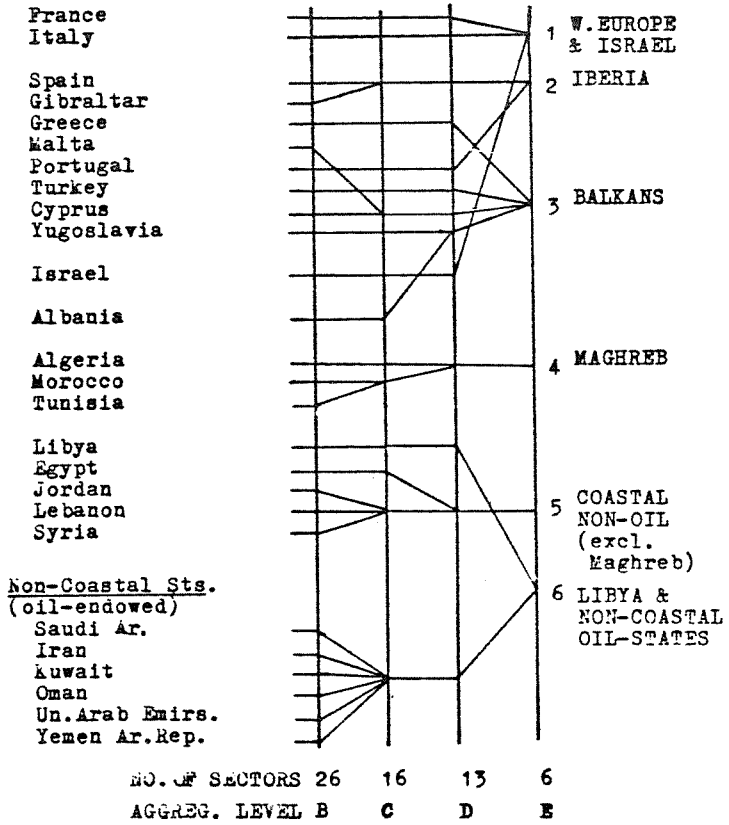


Fig. 2. *The Mediterranean: a possible series of economic and geo-political aggregations for analytical purposes (in the context of an Oil/Tourism/Ecology approach)*

Notes:

1. The lowest aggregation level A (not shown) would include the major islands and other subnational regions.

2. A very useful level appears to be D, with 13 units or subregions. No level higher than G, with 6 subregions, would appear to be of much use.

3. It is assumed that the Maghreb is a better context for Algeria than would be the group of oil-exporters. This and similar assumptions may be altered.

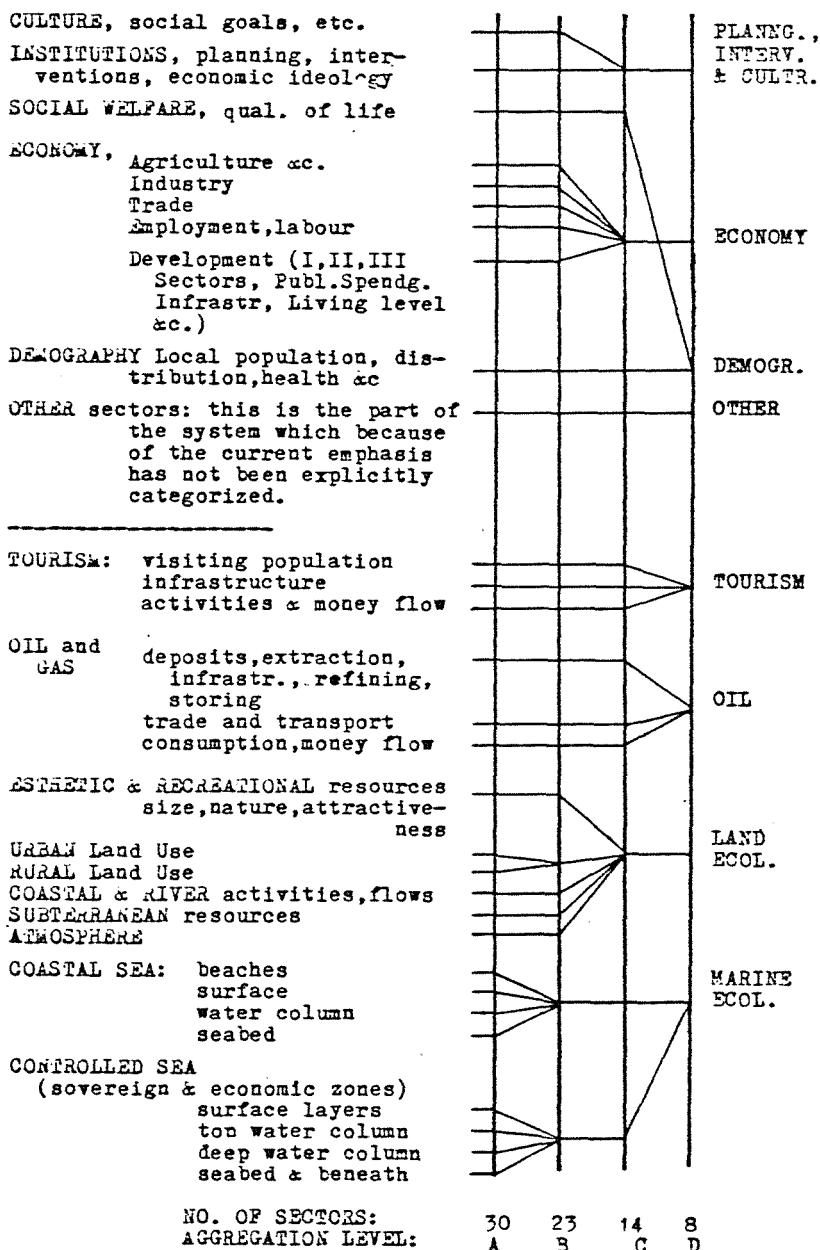


Fig. 3. Sectoral Resolution of the Mediterranean System (The list applies to the Tourism/Oil/Ecology approach, relates to one sub-region, and excludes common space.)

COMMON MEDITERRANEAN ENVIRONMENT

Planning & Intervention
 Institutions and culture
 Atmosphere

Common Waters: surface layers
 top water column
 deep water col.
 sediment/seabed &
 beneath

EXTRA-MEDITERRANEAN ENVIRONMENT

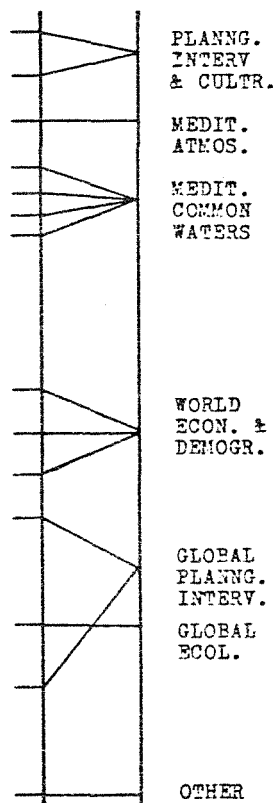
United States economy & multinatls.
 E.E.C. economy
 States bordering Medit. states

World culture (including symbols
 and images: unification,
 Common Heritage, Socialism,
 New International Econ Order)

World weather; neighbouring oceans;
 world oceans; atmosphere

Planning & Intervention at supra-
 Medit. level (including U.N.,
 Law of the Sea; New I.E.Order
 activities, etc.)

OTHER world or Medit. factors



NO. OF PARTS:	14	7
AGGREG. LEVEL	A	B

Fig. 4. Partitioning of the Common Mediterranean and of Global environments.

Note: Each of the parts listed to be checked to see whether it influences, or is influenced by, local or foreign intersectoral interactions among the sectors listed in Fig. 3. (A foreign interaction is one that takes place across the borders of subregions in Fig. 2.)

D1	D2	D3	D4	D5	D6	D7	D8

D1 PLANG., INTERV., CULTR.
D2 ECONOMY
D3 DEMOGRAPHY
D4 OTHER
D5 TOURISM
D6 OIL
D7 LAND ECOLOGY
D8 SEA ECOLOGY

Fig. 5. Intersectoral interactions within a subregion.

INFLUENCED SUBREGION							
D1	D2	D3	D4	D5	D6	D7	D8

D1 PLG/INTERV
D2 ECON
D3 DEMOGR
D4 OTHER
D5 TOURISM
D6 OIL
D7 LAND EC.
D8 SEA EC.

I
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G

S
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O
N

Fig. 6. Foreign intersectoral interactions in general

INFLUENCED SUBREGION: <u>MAGHREB</u>							
D1	D2	D3	D4	D5	D6	D7	D8

D1 PLG/INT
D2 ECON
D3 DEMOGR
D4 OTHER
D5 TOURISM
D6 OIL
D7 LAND EC.
D8 SEA EC.

INFLUENCING
SUBREGIONS:
Y. ETR/ISRAEL
IBERIA
PALESTINE
NON-OIL PRDS.
OIL-PRDRS.

Fig. 7. Foreign intersectoral interactions influencing a specific subregion, in this case the Maghreb.

Each cell examines, possibly comparatively, the influence of up to five subregions on the Maghreb. This is one of 6 such diagrams which would exhaust such interactions.

specialists, lists of interaction processes, etc. Both the local and the foreign intersectoral influences will now be checked for connections with any part of the common environment. The partitioning of the common Mediterranean and the world environment is illustrated in Fig. 4. In some of the intersectoral interactions considered, the common environment may act as intermediary, or as a source or sink for some of the materials involved. Thus, we may examine each 'allowed' intersectoral link in terms of the questions: (a) Does this affect the common environment? (b) Is this affected by the common environment? As before the result of this investigation will include lists of significant factors and processes, the latter first in verbal then in rough mathematical form. A number of large-scale processes remain to be accounted for by examining the matrix formed by crossing the list of parts of the common environment against itself, taking care to include environmental transportation processes and to exclude cells which are outside the current research scope. This may result in further revision of the latest list of factors and list of relationships among factors. An additional check may now be made on the whole set of relationships, for consistency and closure.

If for some reason the set of factors and relationships is not to be transformed into a computer simulation programme, the interaction flow-charts, data-tables, and other material generated in the process of this research will nevertheless be of considerable use. It will have improved one's mental model of the Mediterranean for such purposes as the design of new institutions, broad forecasts, deciding about further research and data collections, etc. Other parts of the Mediterranean system could be reached by a similar procedure with different emphasis. Instead of focussing attention on oil, tourism, and ecology one would then use other frameworks such as the ones suggested below. These different foci could be pursued by different teams in various Mediterranean universities and institutes. A working-group would eventually integrate the various lists of factors, interactions, and other data obtained from each project into a single model. Depending on the stage of evolution of Mediterranean regional institutions at that time, this body of data could then be examined for policy implications. (Chadwick, 1971).

I tourism/oil/environment

- (a) economy, demography, intervention
- (b) tourism
- (c) oil
- (d) ecology, land/sea

II *fishing*

- (a) economy, demography, intervention
- (b) fishing, catch data
- (c) fisheries management
- (d) pollution/marine ecology
- (e) mariculture

III *raw materials*

- (a) protein, cereals
- (b) fisheries
- (c) oil
- (d) markets, imports, exports

IV *sociocultural milieu*

- (a) emigration
- (b) labour, conditions
- (c) ideology: economic
- (d) religious, social values
- (e) prevalent cultural images
- (f) power, decision-makers
- (g) poverty, development

VII *conflict*

- (a) historical conflicts: frontiers
- (b) trade
- (c) arms sales; military presence
- (d) ideology, allies, neutrality

VIII *towns*

- (a) coastal industries; riverbank
- (b) pollution; anti-pollution
- (c) urban traffic, land-use
- (d) environmental links
- (e) quality of life
- (f) town-country interaction

The procedure suggested above will now be illustrated by means of examples of the contents of some of the cells. For this we shall choose the matrix of Fig. 5, which deals with intersectoral processes of interaction within a generalised single subregion ('local'), within the Oil/Tourism/Ecology framework already mentioned. It is clear that the examples are still fragmentary and do not constitute a case-study either for any subregion or for any issue.

In practice, the material appears in the cells as rough notes: facts, ideas, references jotted down while reading or while analysing other cells. Transcribed, then, from these will be a list of factors ordered by sector and kept in the appropriate diagonal cell for easy reference. Each cell will also contain several 'processes': each process is a link between certain factors as causes and certain factors as effects (one factor may be in both categories in a situation of reciprocal influence). Processes may be ordered, for easy retrievability, by the main cause sector and the main effect sector. The processes and factors must be presented in such a way as

(a) to facilitate rapid investigation of all the influences on a given factor; and all the other factors influenced by the given factor.

(b) to preserve the convenience of sectoral reference afforded by the matrix format.

(c) to reconcile the requirement of prose description with the requirement of consistent reference to each factor and at the same time facilitating scanning of long lists.

These criteria become increasingly important as the information accumulates especially when one has to start pruning the model of unnecessary factors, draw flow-charts and find feedback loops, and convert each process into algebra. With these considerations in mind, each factor, even if not yet conceptually narrowed or if there is no hope of direct quantification, is assigned a reference designation:

F (factor no., sector, subregion)

Similarly, each process is assigned the label:

P (process cause effect cause effect
 ' number ' sector' sector' subregion' subregion)

Thus an example of a factor might be $F(5, D6, -)$, indicating the 5th listed factor in the sector D6 (Oil), the hyphen indicating an unspecified general subregion. A process whereby some factors mainly in sector D6 influence others which lie mainly in sector D4 might be referred to as $P(17, D6, D4)$, or $P(17, D6, D4, -, -)$. Such $P(\dots)$ designations are used in the records to head a small extract of descriptive prose which portrays a process. In this extract the names of the factors, whenever they occur, are accompanied by an appropriate $F(\dots)$ label on the right-hand margin, in one of two columns according to whether it plays an independent (cause) or a dependent (effect) role in the particular process being

considered. Such extracts refer to the current subregion as 'local' and to any other as 'foreign'; and they are classified as suggested in Fig. 5, according to ordered pairs of sectors, i.e. according to 'cells'.

LOCAL INTERSECTORAL INTERACTIONS

CELL (D5, D6)

TOURISM on OIL

D5 D6

	<i>Factors Designation</i>	
<i>Processes of Interaction:</i>		
<i>Preliminary verbal description</i>	Causes	Effects
P(1, D5, D6, -, -)		
Average length, and number of annual trips by local airlines determine the consumption of airliner fuel attributable to local subregion. (Possible complicating factors: political airspace limitations; part-ownership of airline.)	F(1, D5, -) F(2, D5, -)	F(1, D6, -)
P(2, D5, D6, -, -)		
The number of visiting tourists, the average length of stay, taxi-hiring propensity, self-drive car hire propensity, public transport use, affect automobile fuel consumption in local subregion attributable to tourism.	F(3, D5, -) F(4, D5, -) F(5, D5, -) F(6, D5, -) F(7, D5, -)	F(2, D6, -)
P(3, D5, D6, -, -)		
Cooking-fuel oil in restaurants and hotels, oil-content of petrochemicals purchased by visiting tourists, etc. affect the oil consumption locally attributable to tourism.	F(8, D5, -) F(9, D5, -)	F(2, D6, -)

P(4,D5,D6,-,-)
 Oil-fuel consumption (attrib. to tourism) F(2,D6,-)
 occurs in the building and maintenance of superstructure and infrastructure of the tourist industry. F(10,D5,-)

P(5,D5,D6,-,-)
 The probability and extent of possible damage to tourist establishments and amenities (beaches, shoreline allotments, attractiveness of coastal waters for swimming and water-sports, etc.) helps determine the extent of justification for primary and for secondary treatment of effluent from any local refineries (number and effluent capacity and load of loc. refineries.) F(11,D5,-)
 (This process involves sectors D1, D2, D3.) F(12,D5,-)
 F(13,D5,-)
 F(3,D6,-)
 F(4,D6,-)
 F(5,D6,-)

CELL (D5, D7)

TOURISM on LAND ECOL.

D5 D7

Factors Designation

Processes of Interaction:
Preliminary verbal description

Causes Effects

P(1,D5,D7,-)
 Intensity of tourism, both local and incoming foreign, and types of activities on land, rivers, etc. F(14,D5,-)
 cause occupation, F(15,D5,-)
 disturbance, and F(1,D7,-)
 littering F(2,D7,-)
 of natural recreational areas. F(3,D7,-)

P(2,D5,D7,-,-)
 The extent to which tourist development takes place in nonindustrialised areas of the

local subregion (e.g. a correlation coefficient between areas of new tourist developments and areas with not-already-developed land-use.) This may be developed into an index of 'dispersion' of economic development, by tourism.	F(16,D5,-) F(4,D7,-)	
Desirability of geographical dispersion of development through tourism (West, 1976, p. 10)		F(1,D2,-)
is affected by type of tourist development (incl. capacity),	F(17,D5,-)	F(5,D7,-)
by intensity of tourism	F(14,D5,-)	
by certain characteristics of local population and culture,	F(? ,D3,-)	
and social and governmental values and policies, and	F(? ,D1,-)	
by the cost of the developments.	F(18,D5,-)	
P(3,D5,D7,-,-)		
The overlap (a correlation coefficient?) between areas of new tourist developments and areas of agricultural land-use will contribute to a <i>conflict</i> or trade-off between tourism and agricultural land-use, which may be expressible in terms of tourist developments' opportunity-costs (in whole economy).	F(16,D5,-) F(7,D7,-)	F(8,D7,-)
		F(? ,D5,-)
P(4,D5,D7,-,-)		
Tourism projects in underdeveloped parts of the subregion	F(16,D5,-) F(4,D7,-)	
may include the upgrading of the infrastructure facilities thus producing a benefit for the local population. (West 1976, p. 10)		F(1,D2,-)
P(5,D5,D7,-,-)		
Tourism developments on the coastline	F(21,D5,-)	

may reduce the amount of coastal vegetation along the shores of Mediterranean mainland and islands. F(9,D7,-)

P(6,D5,D7,-,-)
 The intensity of tourism, governmental and entrepreneurial policy and perceived cost-benefits of tourism (in whole economy) results in investment for new projects and, after a building *delay*, various forms of land-use: hotels and apartments recreation areas (urb. & suburb.) parks, nature reserves, etc. roads airport area marine parks

F(14,D5,-)
 F(?,D1,-)
 F(?,D1,-)
 F(?,D2,-)

F(22,D5,-)
 F(20,D5,-)

F(10,D7)
 F(11,D7,-)
 F(12,D7,-)
 F(13,D7,-)
 F(14,D7,-)
 F(1,D8,-)

P(7,D5,D7,-,-)
 Over-demand for sewage services arising out of overseas and local tourism may be a problem. This may result in more sewage effluent that is improperly treated, remaining in local waterways.

F(3,D2,-)
 F(14,D5,-)
 F(3,D2,-)
 F(4,D2,-)
 F(5,D2,-)
 F(15,D7,-)

CELL (D5,D8)
 TOURISM on MARINE ECOL.
 D5 D8

Factors Designation

Processes of Interaction:
Preliminary Verbal Description Causes Effects

P(1,D5,D8,-,-)
 The intensity of tourism, the tourists' beach-using

F(14,D5,-)

propensity,
the desirability of the
beaches (coastal areas without
sand etc. are included)
the tourists' littering propen-
sity,
contribute to the
total beach use,
the extent of litter on the
beaches,
and in the coastal sea.

F(23,D5,-)

F(16,D7,-)

F(24,D5,-)

F(17,D7,-)

F(18,D7,-)

F(1,D8,-)

P(2,D5,D8,-,-)

The process P(7,D5,D7) results
also in untreated sewage discharge
into the coastal sea through
various forms of outlet arrange-
ments. An increase also
results in normal treated waste.
Both forms of waste include
ammoniacal nitrogen compounds,
nitrates
nitrates
other nitrogen compounds
some of which are insoluble.

F(2,D8,-)

F(4,D2,-)

F(3,D8,-)

F(4,D8,-)

F(5,D8,-)

F(6,D8,-)

F(7,D8,-)

F(8,D8,-)

Various stages of oxidation initially
characterise this effluent: the
rate of biological oxidation
in the water causes a consumption
of dissolved oxygen, creating a
biological oxygen demand (B.O.D.)
reducing the actual oxygen content
of the water and increasing its
general bionutrient level.

F(9,D8,-)

F(10,D8,-)

F(11,D8,-)

F(12,D8,-)

(The process P(7,D5,D7) involves
tourist numbers in hotels, etc.,
and over-demand of sewage servi-
ces.)

F(14,D5,-)

F(3,D2,-)

P(3,D5,D8,-,-)

The available recreation servi-
ces,
the attractiveness of recreation
locations in the coastal sea,

F(25,D5,-)

F(13,D8,-)

the intensity of tourism,	F(14,D5,-)
and the various propensities of	
the tourists,	F(26,D5,-)
determine the intensity of	
various forms of space-use	
in the coastal sea:	
swimming	F(13,D8,-)
boating,	F(14,D8,-)
sailing	F(15,D8,-)
water-skiing	
diving;	F(16,D8,-)
some of these activities repre-	F(17,D9,-)
senting a <i>conflict</i> in marine	
space-use with the fishing indus-	
try's shallow-water fishing, esp-	F(5,D2,-)
pecially in N. Africa and Mediterra-	
nean generally. (Unesco, 1975)	

In the diagonal cells, none of which has been shown in the above example of three cells, lie the processes which are mostly internal to the sector concerned. Thus, the cell (D5,D5), which lies of the main diagonal of the matrix in Fig. 5, would contain descriptions of processes which show the interdependence of the 'tourism' factors mentioned in all the other cells. It is helpful for this reason to include in every such diagonal cell a list of such sectoral factors with their labels.

As suggested earlier, such raw material, while continually revised, yields information about feedback loops or closed paths of influence. Thus, for example, the more tourists there are in one place, if the crowding limit or carrying capacity is approached, the less attractive will that destination be, causing the rate of arrivals to level off. Also, some of the effects of tourist developments, such as damage to the coastal flora, might after a certain delay, kill the goose that laid the golden egg. More complex paths will involve not one or two but several sectors in a feedback loop. An examination of these loops and of their polarity (whether they are positive and deviation-amplifying or negative and goal-seeking) is an essential part of the analysis of complex systems.

This kind of research serves among other things to indicate which are the weak spots where data is required for a more complete and exact understanding of the system. For smaller projects, such research serves to give the broad view of the system which one needs before pruning away the less significant processes and

variables in search of the essential minimum. The next step is to examine available data sources, while attempting to quantify the factors and the processes. One of the problems in this area has been, and still is, that of assigning numerical quantities, particularly equivalent dollar costs, to such things as recreational quality changes, and also to such things as changes in esthetic values of landscapes. An account of the seriousness of this problem and of some attempts to solve it is given in Ramsay, 1972. This includes, among other things, an account of an approximate measure of recreational demand (boating-days, swimming-days, and fishing-days) derived for various levels of the oxygen content of the water of large lakes. This was done by combining such techniques as: semiquantization of variables on two-point integer scales (0 or 1 to represent two possible states, or existence and non-existence, of a characteristic); expert water-quality ratings on 5-point scale; correlation of the latter with chemical measurements; and multiple regression of public survey data on participation in boating and swimming, this variable being considered as dependent on several socio-economic and locational variables of the type just mentioned. The resulting multiple regression equation, which was intended for use in broader cost-benefit models, had $R^2 = 0.280$, and thus explained only 28% of the behaviour of 'swimming participation' by the public. This is however much better than nothing, and such techniques can often be improved. Non-statistical techniques, such as those involving creative extrapolation and forecasting, are also possible. When quantification is attempted, rough error or confidence estimates should be included wherever possible, since such data will show how much justification there is in developing the results in certain directions, such as cost-benefit analyses of various key parameters, or systems simulation and forecasting.

In the Mediterranean area there is both wide scope and pressing need for such research: because of the extent of regional problems and of the probable imminence of institutional changes requiring information tools. Joint interdisciplinary and integrative systems research about the Mediterranean region could also serve as a method for stimulating co-operation among Mediterranean universities and other institutes.

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BOOK REVIEW

JEREMY BOISSEVAIN – *Friends of Friends*. Networks, Manipulators and Coalitions. Oxford. Basil Blackwell 1974. 285 pages. Price £4.75p.

SOMETIMES a book is already famous before its printing has started. *Friends of Friends* is such a book. Many social scientists in England, Holland, Malta and elsewhere were looking forward to its appearance; it had already been called 'The Bible of Network-Analysis', drafts of chapters had been presented to students and many of the concepts and ideas discussed were diffused before their 'official' presentation in the printed book. The final product may not quite live up to its rumoured reputation as a 'Bible', and the author will probably happily agree that he did not attempt to produce final words, but rather to stimulate critical thinking in new directions. Although the book is mainly a collection of separate essays, the main aim is always clear: to find new and different ways of sociological inquiry, instead of the static, but still dominant 'structural-functionalist' approach.

In his Introduction, Boissevain argues that structural-functionalists were, and are, 'largely concerned with the study of society as an enduring system of groups, composed of statutes and roles, supported by values and connected sanctions which operate to maintain the system in equilibrium'; (p. 4). The author found out that informants not only asked themselves the typical structural-functionalist questions: 'What is expected of me in this situation?' and 'What is best for my group?', but also 'What is best for me and my family?' and 'From what possibility will I derive the greatest benefit?' For Boissevain it is not enough to ask 'What is the pattern of social relations?' and 'How is the pattern maintained?', but a student of social behaviour should also ask 'How do such patterns change?' and 'How are they changing?' (p. 5-6).

Structural-functionalism is not interested in the actual behaviour of Jack and Jill, but gives a model of the ideal social systems in which they live. If Jack and Jill do not conform to the normative picture presented, their behaviour is ignored or explained away as 'deviant' or 'exceptional' (p. 12). But Boissevain is interested in Jack and Jill and 'the choices they have to make between their conflicting norms and manipulating these for their own benefit' (p. 12).

In Boissevain's eyes, structural-functionalism is a kind of faith. (p. 7). But it is a well-known fact that people who are con-

verted from an old to a new religion often prove to be the staunchest supporters of their new faith: not only are they convinced that they have the truth now, but also they tend to start prosecuting their old religion as Boissevain does. By giving only one example (the analysis of the Nuer by Evans-Pritchard), he even attacks structural-functionalism where it rendered anthropology excellent services: in the description and analysis of small homogeneous societies.¹ Links between structural-functionalism and colonialism can be found, but it is going too far to suppose a link between fascism and structural-functionalism just because of the consensus model of the corporate state and the protection of the old order by fascism. The structural-functionalists lived and live in democratic countries like Britain and the Netherlands and they would not have been permitted to do their creative jobs in fascist countries where no academic freedom exists.

In my opinion all kinds of scientific approaches are children of the times in which they occur. In every new period of scientific history new questions are being asked and these new questions call for new methods of approach. It is most likely that those who, like Boissevain (and I consider myself one of them) now want to get rid of structural-functionalism and adopt another kind of approach, will be attacked by the next generation because their approach will not give the answers to the questions of the future.

I agree with Boissevain's analysis of the structural-functionalist university establishment. However, I know too many Jacks and Jills whose belonging or not belonging to the University establishment has nothing to do with their political ideas to agree with Boissevain's correlation of these two variables; and I do not agree with his opinion that increasing student power may bring about a more rapid development of scientific theory (p. 23). Scientific theory is developed by scholars and not by students and increasing student power would tend to bring with it a situation in which board, faculty, council and committee meetings take more and more of the time of the academic staff. The remainder, being absorbed by teaching more students every year without substantial staff increases leaves hardly any time at all for creative scientific work. The result, in the long run, would be a standstill of the development of scientific theory at the university.

Many important concepts are clearly defined throughout the book like: *social networks* (the social relations in which every individual is embedded and which may, at a level of abstraction, be

¹ Evans-Pritchard, E.E. *The Nuer*, 1948, Oxford: The Clarendon Press.

looked upon as a scattering of points connected by lines), p. 24; *patrons* (persons who dispense first order resources like lands jobs, scholarships, specialised knowledge) pp. 147-8; and *brokers* (persons who dispense second order resources: contracts with or access to patrons), p. 148; we learn that the important friends of friends are known to the people of our first *order or primary network zone* (the people a person knows). Coalitions are defined as temporary alliances of distinct parties for a limited purpose. p. 171. Boissevain even presents four distinct types of coalitions: cliques, gangs, action-sets and factions. This distinction, however, does not seem as useful for political analysis (the author's main field of interest in the present book) as the one between interest and levelling coalitions (introduced by Thoden van Belzen) which Boissevain only mentions in a footnote.²

It is pleasant to read *Friends of Friends* as it is never dull and written in a personal, lucid style. Boissevain himself is the first to admit that his thinking has been influenced by many colleagues (p. VII-IX), but his own theoretical achievements are also important. Worth mentioning here is his criticism of Bailey's statement. 'The actors engaged in political competition agree about the rules'.³ According to Boissevain, this is a misconception, and he shows by a well documented example (Maltese festa partiti and national politics) that conflict parties are not necessarily in agreement about the rules which regulate and channel their enterprises. They differ in almost every conceivable way: they are unlike each other in respect of *resources, internal organisation and strategy*. In every conflict there is an *asymmetrical relationship* between those with more and less power. Those with less power (the opposition) are obliged by the situation to innovate and change things in order to score off their rivals (p. 228-231).

One whole chapter is devoted to the exploration of two personal networks (chapter 5), in which the characteristics of those of two Maltese schoolteachers are compared. The difference is striking but so may be the personalities. It is interesting to be able to get such quantified pictures, but I wonder if other informants who are not as motivated and do not have as many leisure hours as schoolteachers would be willing to cooperate in research of this kind. Besides Cecil and Pietru, or Jack and Jill, are now hidden behind

²Thoden Van Belzen H.U.E., 1973 *Coalitions and Networks Analysis* in: Boissevain Jeremy and J. Clyde Mitchell, editors, *Network Analysis: Studies in Human Interaction*, The Hague: Mouton and Co., p. 251 n. 16.

³Bailey, F.G. *Strategies and Spoils: A Social Anthropology of Politics*, 1969 Oxford: Basil Blackwell, p. 15.

numbers. However, the last part of this chapter is a superb illustration of network strategies and manipulation in Malta.

Besides minor criticism on some parts (e.g. the generalisation about the Dutch being 'blunt'), I do not agree with Boissevain's concluding ideas that political conflicts can be reduced to conflicts between establishment and opposition, conservatives and progressive upholders of the status quo and of change (p. 223-233). 'Man, in order to emancipate himself from the constraints of his social, cultural and physical environment, attempts about to bring changes in the balance of power. Other persons, who benefit from the status quo, try to prevent such changes'. (p. 232). Isn't this view a bit simplistic? Do not men often consciously see where their selfish interests lie, but nevertheless act against them, because they consider it a moral obligation to do so? Of course men are not always altruistic, but neither are they always egoistic. Friendship may be used instrumentally, but it would not survive were there no emotional ties.

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