

AFTER EUROPHORIA, SOMETHING LIKE *Europanic* is in danger of setting in at the approach of the Single Market, to be put in place in the 12 countries of the European Community (EC) by the last day of 1992.

Last year, French Prime Minister Michel Rocard compared the new "Europe" to an airplane without a pilot. He is all for it, nevertheless, but as the motors warm up for takeoff, some of the passengers are getting uneasy.

It was Frenchman Jacques Delors who, as president of the European Commission, is credited with the 1985 decision to achieve, at long last, the EC's original goal of a common market. The Common Market was renamed the "single internal market," and a new method was found for getting there. A white paper was adopted, with some 300 measures for harmonizing taxes, regulations and standards. Decisions had to be taken on schedule by majority vote, rather than by the consensus that had blocked earlier unification efforts. And a deadline was set for Dec. 31, 1992. Once member states had ratified this agreement in July 1987, there was no turning back.

Especially in France, "1992" became a new rallying cry of national purpose and consensus. The media and political class exhorted France to get into a winning position for a glorious entrance into "Europe," and scolded other Europeans for not being as "European" as the French. "Europe" served as a new label for the "modernization" that has obsessed France's leaders since the postwar period. Moreover, in the mid-'80s, it suddenly appeared politically imperative in French eyes to "anchor" the Federal Republic of Germany to the West. The enthusiasm of the French political class for the European Community had a deep political motive.

But whatever the motive, the method was economic deregulation.

The ac/dc EC: In 1985, Wisse Dekker, the Dutch president of Philips, Europe's largest electronics manufacturer, wrote a discussion paper entitled "Europe 1990." The paper was approved by the Round Table of European Industrialists, including the bosses of Shell, Olivetti, FIAT, Siemens, Nixdorf, Daimler-Benz, AEG, Thyssen, Bosch and other giants. Their common interest was to get rid of all the differences of standards and regulations that raised production costs. A symbolic example are the 36 different plugs that Philips has to manufacture so that its appliances can be plugged into differently shaped wall sockets in the 12 EC countries.

The European multinational executives felt that the mass of different standards and taxes was preventing them from being able to use the large European market as a strong base for global competition with American and Japanese rivals. With their backing, Dekker's paper was adopted by the European Commission and served as basis for the white paper and its 300 measures.

At the same time, the Commission ordered a 6,000-page study on "the cost of non-Europe" to document in detail the costs of the obstacles to be cleared away and to forecast the benefits of 1992. Known as the Cecchini Report, after commission director Paolo Cecchini, the study in its various abridged versions has spread the word that the single internal market will lead to growth rates of 5 percent to 7 percent and create 2 million to 5 million new jobs (there are now 16 million registered unemployed in the 12 EC countries).

Will '92 be supernatural or just multinational?



UK Prime Minister Margaret Thatcher: screaming before hurting.

The Cecchini Report seems to be something of a best-case scenario, assuming that all EC governments will be able to encourage growth. Even so, it notes that "EC integration gives management a supply-side shock—a market-sent opportunity" to promote "new ways of organizing work," and that this "cer-

COMMON MARKET

tainly means that more people will have to change their jobs more frequently." In manufacturing, the Cecchini Report says that some 80 percent of cost savings will derive from restructuring, which involves "disappearance of the smallest or least efficient companies, or their concentration."

Initially, then, jobs will be lost. So will traditional safeguards. But labor, and most of the left, feel resigned to "Europe," if only because they have already run up against a stone wall called "the world market" in their own countries. Even the British labor movement, whose anti-continental chauvinism makes all the others look like fervent internationalists, has been coming around to "Europe," perhaps in the hope of diluting Thatcherism in a more socially progressive European solution.

But neither the left nor labor has yet found any way to get a handle on "Europe." The plane not only has no pilot; it even may not have a cockpit?

The only "European political class," a German Social Democrat observed recently, "is the bankers."

The workers national: The language barrier tends to reinforce the class barrier. Of all the social forces, the labor movement is at the greatest disadvantage. This is not only because people in the industrial working class rarely speak foreign languages. Each labor movement is deeply rooted in its own history and tends to consider that the benefits it has won from its historic struggles are vastly superior to those in other countries. Thus the German labor movement is worried at losing its rights to industrial co-management, which the French labor movement considers a mere sop compared to its own job security laws, which the British labor movement would never trade for the

closed shop—something no other labor movement wants. The most modest—like the Portuguese, who have nothing to lose—have no influence at all.

Therefore, while European industrialists were spelling out 300 precise proposals for unifying Europe to their own benefit, European labor has been unable to get together with any sort of common program. Labor opposition to European integration, such as that of the French Communist Party, is too politically isolated either to formulate demands on Europe beforehand or to channel discontent if things go wrong. Instead, a new nationalist far right is appearing in one EC country after another, positioning itself to exploit eventual discontent. Ecological parties provide a more acceptable protest vote.

Last June, following the white paper, the decision was taken that capital movement will be totally freed as of July 1, 1990. This means the unrestricted right of investment and other capital to flee from national taxation. This may well jeopardize any national economic policy by undercutting the tax base.

About this time, even Europe's most ardent champions began to worry that it was all a bit too one-sided. Once a left Gaullist and later a member of the French Socialist Party, Delors is basically one of those socially minded Christian Democrats with a profound belief in European unity. As president of the commission, he took up the multinationals' needs as the motor able to repower the long-stalled common market, convinced that unification of the market would stimulate political, social and cultural integration.

This is very far from happening. Last summer Delors himself began warning publicly that the economic measures must be balanced by some political guidance. Since the powers of the European Parliament are extremely limited, the most important EC decisions are taken by summit meetings or ministers' meetings of the member states. Delors pointed to this "democratic deficit" and suggested that national parliaments should pay more attention to the increasing number of important questions being settled at the ministers' council level. The consensus rule means any social measure can be

vetoed. Delors raised some of these problems at the European Trades Union Confederation meeting in Stockholm last July and at the British Trades Union Congress in Brighton in September.

Cruisin' for a Brugging: This inspired one of Margaret Thatcher's most famous tirades. In a major speech in Bruges, Belgium, the British prime minister responsible for abolishing democratic municipal government in Britain caviled that she had not successfully rolled back the frontiers of the state in Britain only to see them reimposed at the European level, with a European superstate exercising a new domination from Brussels. Denouncing the "dangerous leftward drift" of European social democrats, Thatcher insulted Delors personally as the "French finance minister during the lunatic early years of the first Mitterrand administration." Thatcher claimed that "European unity is the device through which the regulators and socialists hope to expand their grip on the Continent."

True to her Hobbesian ideals, Thatcher abhors the notion of "social Europe." If Europe has to exist, it must be limited to an uninhibited free market accompanied by strong national police forces and a nuclear NATO closely allied to the U.S.—and nothing else. Alarm is growing on the Continent that she is getting her way.

In reality, the 300 measures leading to "1992" are deregulation measures. The Single Market is a vast deregulation operation. Thatcher should be happy. But her speech followed the tried-and-true rule of blackmail bargaining, "Always scream before you are hurt." This is Thatcher's usual method for dealing with "the Continent," and she can usually count on a chorus of the world's vilest tabloid newspapers to accompany her harangues.

Employing the same technique, the *Wall Street Journal* led a rising chorus in the U.S. against the "protectionism" of "Fortress Europe." Using the media to whip up home-front chauvinism against "unfair" foreign traders is a weapon that only the British and the Americans seem to possess, and they do not shrink from using it.

In reality, the Single Market should be a good thing for big multinationals and financial institutions—all of them, whether European or non-European. American and Japanese multinationals are already helping themselves to subsidiaries so as to enjoy the benefits of 1992. Some American commentators pretend to be horrified by the EC demand (still very vague) for "reciprocity," that is, for the same freedom of operation for their subsidiaries in the U.S. that the Single Market will offer to American companies. Again, the big operators have nothing to fear; on the contrary, an American banker installed in any town in Portugal will be able to open branches from Dublin to Hamburg with more ease than a Washington banker can cross the Potomac into Virginia. Some even hope the EC example will promote further deregulation in the States.

The problems will be for the little businesses, for consumer protection, for the environment, for employees of the companies forced out of business, and for social programs whose tax base moves away. The massive deregulation is going to cause problems that will demand solutions. But where can the solutions be applied? This is the problem of "democratic deficit" that is worrying Europe's socialists as they prepare for the third elections to the European Parliament next June. □

Next week: Alain Minc presses the panic button.



Isabel Allende

to detail and penchant for colorful anecdotes made her feature stories, weekly column and TV show immensely popular in Chile. But popularity in the Chile of 1973, particularly for a niece of democratically elected President Salvador Allende, whose government was being subverted by a CIA-orchestrated coup, proved ephemeral. In 1975, along with her husband and two children (Paula, age 12, and Nicolas, age 7), Allende moved to Venezuela. Unable to find work as a journalist, she took an assortment of odd jobs.

"For many years I was just paralyzed," she says, "which is a very common feeling among exiles. When you lose your roots, somehow you don't nourish yourself. You block yourself to the world. You don't want to belong to that new place and are always looking back to the place you left, thinking that you'll go back.... And it doesn't happen that way."

Exiles on Pain Street: The often-exiled Guatemalan poet, Otto René Castillo, who was ultimately burned at the stake by the national guard, once wrote: "*Mi exilio era de llanto*" (My exile was made of weeping). For Allende, exile brought not only tears, but also writer's block. On Jan. 8, 1981, however, when she received a phone call from Chile saying that her grandfather was dying, she suddenly began to write again.

"I started to write a letter," she says. "I was not thinking of publishing it. I was not thinking that I was writing a novel. It was just that absolute necessity of survival—I *had* to write, because if I didn't I would die. And I wrote about the things I cared for, or the things that I missed the most. That was the main impulse to write *The House of the Spirits*—nostalgia, homesickness, the need to recover a lost world, a past that was gone forever. I felt that my memory was blurred, and by writing I could bring back all that I had lost and that way have it with me again."

"I started writing in a very automatic way with no previous structure, not thinking where I was going or what I was doing or what I wanted to say. I knew I wanted to tell about the military coup."

Given the circumstances under which Allende wrote *The House of the Spirits*, it's amazing she ever completed it. Her family was having severe financial problems, and she was working 12 hours a day in a school. Yet every night, after she had showered and eaten dinner, she sat at the dining room table and wrote; after a year she had a 500-page manuscript, which she showed to her mother who was visiting from Chile.

"My mother was very critical," Allende says. "We have a wonderful relationship, a very nourishing relationship. Nobody had ever seen me as a novelist. It didn't look like a novel, anyhow. My mother helped me with parts of it.... We edited it together."

Avoiding the eraser: When the book was published, it became a critically acclaimed bestseller in the U.S. and Europe. Although it was initially banned in Chile, it circulated in photocopies until the Pinochet government, intent on polishing its image, lifted its censorship on books. Though happy the

By David Volpendesta

A MONTH BEFORE HE DIED IN 1973, Nobel Prize-winning poet Pablo Neruda called a young journalist at Santiago, Chile's *Paula Magazine*. Her subsequent excitement created a flurry in the newsroom. "Me!" she exclaimed to her colleagues. "The Nobel Prize wants me.... I must be the best journalist in this country. And he wants me to interview him."

As she recently recalled the details of her "interview" with Neruda, Isabel Allende slipped off her shoes and put her feet on the living room sofa of her home in San Rafael, Calif. In a mocking but gentle aside, she chided herself for the ego of her journalistic youth.

Neruda, it seems, was enchanted with Allende's weekly humor column. Many people had told her that the poet would photocopy her pieces and send them to friends. As a child Allende had met the

poet ("dressed like a poet with a black cape and a black hat") at one of the weekly salons her grandmother held in her home for Chilean painters, intellectuals and writers.

So, armed with her tape recorder and a buoyant mood, Allende traveled the hour and a half between her office and the poet's home in Isla Negra. Her gracious host served her lunch and showed her his treasured collection of seashells and bottles. But at 2 p.m., when she indicated that she was ready to begin the interview, the poet was perplexed.

"Which interview?" he asked.

"The interview," Allende responded.

"My child," he blushed, "I would never allow you to interview me. You are the worst journalist in this country. You can never be objective. You always put yourself in the middle of a story. Why don't you just change to literature, because all those faults in journalism are virtues in literature?"

Although at the time Allende couldn't accept Neruda's judgment, he intuited what would prove to be an important literary career, launched by the publication of Allende's internationally acclaimed novel *The House of the Spirits*, and followed with *Of Love and Shadows* and, most recently, *Eva Luna*. Her approach to journalism was unconventional: she didn't merely try to dream up a new spin on a story; instead she threw herself into it and was willing to take the chance of being spun around herself.

Spinning the New Journalism: For example, she was once assigned a feature on Chilean prostitutes. Instead of simply taking to the streets and gathering quotes from the women she was writing about and telephoning the requisite university sociologists and vice-squad officials to solicit their "expert" opinions, Allende went to live in the red-light district, posing as a prostitute.

Her flair for the dramatic, attention