

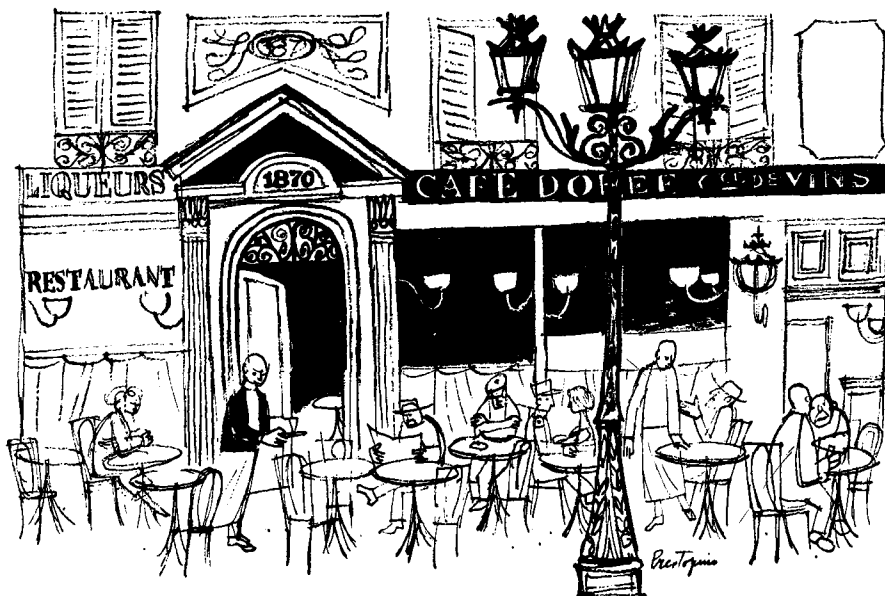
self. Here we have the priceless opportunity of playing with and for each other—as well as for students and people who aren't spoiled."

"It works like this," adds expansive baritone Mack Harrell, the senior member of the co-operative. "Each one of us writes down what he would like to hear the others play—or maybe what he'd like to play with them. Then we have a committee that decides. Of course there are rubs as to who is to perform what and in what position on the program. But we've found our ways of solving that. There's something called the 'Aspen spirit.' It comes over you."

MORTIMER ADLER, in his opening public lecture this season at Aspen on Great Ideas, enunciated the Aristotelian theorem that the purpose of education is to prepare men for the wise use of leisure. I do not know how many fellow Aristotelians there were in his audience. But there were some Aspen townspeople, along with many visitors in outdoor costume. All of them had made use of their leisure time to come. And if they did not all receive from his remarks full clarity as to what to do next, at least there was music to turn to as played with communal relish by this extraordinary mixed company of professionals and students who had been drawn together to the highland.

So the idea of the man from Chicago has taken root and branched. The Music Associates of Aspen now have a \$200,000 annual budget, half of it drawn from student fees and a smaller part from gate receipts, leaving a deficit of perhaps \$50,000 which local businessmen and visitors together make good. A board of trustees headed by an ardent amateur musician and outdoor enthusiast of executive talent, Courtlandt D. Barnes, Jr., of New York, sees to it that they do, and the head of the local dry-goods store is today the board treasurer who receives contributions from the Aspen Truck Line, the Aspen Lions Club, the Aspen Cleaners, the local filling stations, and Louie's Spirit House.

"We may not have mined uranium yet," says an old-timer, "but it looks to me like music is here to stay."



AT HOME & ABROAD

The Good News From France

EDMOND TAYLOR

PARIS
Visitors to the recent international trade fair here who sampled the special helicopter service to the rival aviation show at Le Bourget airport on the other side of Paris had a rare opportunity to learn something that has too long been obscured by the dismal complications of French politics. Hovering above the glass-and-aluminum fair grounds on the southern rim of the city, I saw spread out at my feet an animated graph of the persistent French business boom which paradoxically co-exists with the interlocking economic-political crisis that a few weeks ago started to rock the country. The jostling black ant-specks surrounding the fair buildings—more than four million visitors passed through its gates before it closed—seemed driven by an almost biological passion to consume as they swarmed over the exhibits, from electric locomotives to a plastic shower cubicle that you hook up to the kitchen sink, provided by French

and foreign technology. It was easy to understand how the newly acquired French appetite for consumption had helped bring on the crisis by contributing to the \$300-million foreign-trade deficit that has been draining away the nation's foreign currency and gold reserves. For a moment it was possible to sympathize with those fundamentalist critics of the French economy who blame most of the nation's troubles on a self-indulgent, incorrigibly individualistic population unwilling to pay the price in industrial discipline and productivity for the modern luxuries it has learned to crave. For a moment, but not for long.

The helicopter followed the Seine around the outer edge of the Bois de Boulogne, out over the plain that stretches from Asnières and ancient Saint-Denis to the heights of Saint-Germain. As we came down over Le Bourget, I saw new large-scale housing projects, in gleaming white concrete with gaily

colored awnings or balconies, as far as the eye could see. Those houses were evidence of discipline and productivity. All over France there is other and varied evidence.

THIS LONG-DELAYED building boom, which is equally visible around Orly international airport south of the city and elsewhere in the Paris metropolitan area—indeed around most of the larger French cities—has a long way to go before it catches up with the fabulous German reconstruction effort. It has probably a longer way to go before it ends the housing shortage, which is France's gravest social problem. (The fast-climbing production curve is expected to reach the annual rate of three hundred thousand new housing units by the end of this year, but the experts calculate that France must build 320,000 new units a year for thirty years to give the crisis its final, and probably utopian, solution.) Such as it is, France's recent progress on the housing front is enough to demonstrate that despite the recurrent pattern of political and financial crisis, the country is rapidly catching up in what has been perhaps the most backward sector of the national economy.

"We aren't doing anything here like your all-metal construction of mammoth buildings," I was told by G. Stoskopf, the Alsatian architect of a state-financed project to provide two thousand low-priced apartments for workers of the Simca automobile works near Poissy. "But for this sort of project I doubt if American builders work any faster. We started the first of the fourteen-story buildings of the Poissy project in May, 1956. By Christmas fifty-six families were already installed."

Thanks to thoughtful adaptation by Stoskopf of American building techniques, which he has studied at first hand, plus some purely French short cuts that he has worked out with the contractors, the Poissy project is saving money as well as time. Each worker-tenant gets a three-room apartment with central heating, year-round hot water, shower, garbage-disposal chute, balcony, and so on, for the equivalent of about twenty dollars a month. He also gets the use of such American innovations as a community

school, a restaurant, plenty of playgrounds and sports fields scattered across the landscaped grounds, a movie theater, a church, and two shopping centers, which M. Stoskopf referred to—ambitiously, I thought—as supermarkets.

'I Don't Believe It'

But some of France's most spectacular technological progress has taken place in aviation, as the Bourget show demonstrated. The sensation of the meet was a futuristic French entry named the Atar, which is a turbojet engine mounted vertically on four spindly legs with the pilot perched on top. While five hundred thousand visitors to the show gaped, the implausible wingless contraption—which some European experts regard as a major technological breakthrough—shot straight up to nearly one thousand feet, went through various maneuvers, and finally stood still on its jet tail while test pilot Auguste Morel gravely saluted the stands. "I saw it, but I don't believe it," one British technician remarked to the correspondent of the *London Times*.

More conventional French aviation achievements exhibited at Bourget included the brilliant new jet airliner, the Caravelle, now demonstrating its qualities in the United States. "My engineers feel that the Caravelle is the perfect jet plane for



relatively short hops," commented Kenneth Friedkin, president of the Pacific Southwest Airlines, as he ordered three of them. The remarkable French showing at Le Bourget was not based only on research and craftsmanship. A number of the best French models are coming off mass-production assembly lines in suffi-

cient volume to place France fourth among aircraft-producing nations.

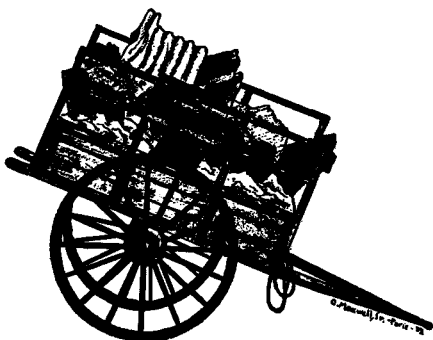
FRENCH progress in the electronics field, military and civilian, is almost equally striking. France is able to sell television and radar systems in such technologically sophisticated markets as the Swiss, Swedish, and Dutch. It is building an electronics factory for India. It has developed an improved automatic weather station which Australia has bought to equip its Antarctic expedition for the geophysical year; later the station, after suitable adaptation, will be set up permanently in Australia's central desert.

French-devised electronic control devices have converted the Chantierine glassworks, founded near Compiègne in 1665, into a show-place of industrial automation: Sand and other raw materials are unloaded from freight cars or off canal barges, moved to storage bins, transferred at the right time in the right amounts to mixing vats, and finally poured into the furnaces—all automatically. At the request of the French Navy, the Laboratoire Central de Télécommunications has recently perfected Europe's first fully electronic automatic telephone exchange, which has no mechanical moving parts. The large Printemps department store in Paris, which last year lost \$220,000 to shoplifters, has now installed an electronic detective force of six TV cameras monitored from a central office.

A new French electronic telescope is said to be the most powerful and technologically advanced in the world. A short-range guided anti-tank missile, now standard equipment in the French Army, helped the Israelis defeat the Egyptians, and in the opinion of some military experts may render tank warfare—at least in its present form—wholly obsolete. French-developed guidance systems for other air-to-air and ground-to-ground missiles are reputedly in advance of any comparable NATO devices.

Reporting on a trip around France last April by a party of American businessmen and journalists, Miss Vada Horsch, assistant secretary of the National Association of Manufacturers, summed up the group's general impression in an

American Club luncheon speech here when she said: "We gained new respect for French engineering, French techniques, and French know-how."



"It is high time that citizens of the United States quit discounting France; that country is strengthening its economic sinews by the hour," wrote another member of the group, Nate White, business and financial editor of the *Christian Science Monitor*.

Items from a Notebook

Even a correspondent living in France and trying to keep abreast of French economic affairs runs into some surprises when he embarks on a systematic survey of recent developments in the field. The following entries from my notebook supply some typical examples of economic progress or outstanding industrial achievements in France that I had not realized before:

ITEM: France is the first European country, after the U.S.S.R. and Britain, with a functioning atomic-energy program—five small piles in operation, three piles of 40,000 kilowatts or better, one of which has been completed. It is a world leader in thorium production (mainly from Madagascar) and uranium output.

ITEM: French nationalized railroads produce the world's fastest locomotive and run the world's fastest scheduled train: the Mistral, average speed 75 miles per hour.

ITEM: France has the world's largest radio telescope, a series of antennae 0.9 mile long to measure the radiation of the stars, at Nançais; the highest cable lift, at Chamonix; the most modern freight yards (handling 4,750 freight cars a day), at Villeneuve-Saint-Georges, outside Paris; the foremost hydraulic

laboratories—the NEYRPIC center—near Grenoble.

ITEM: The French steel industry in alliance with French engineering has been called in to lay the foundations for national steel industries in Peru and Colombia—where it put up the world's highest steel mill, to launch major expansion of plant facilities in Brazil and Mexico, to produce a textile factory for Iraq, an oil refinery for Finland, a sulphuric-acid plant for Turkey, giant tankers for the U.S., radio stations for Israel, Spain, and Yugoslavia, and an electrified railroad system for the whole of Portugal.

ITEM: The nationalized modern coal industry has developed a revolutionary process for converting low-grade coal into coke and leads Europe—including Germany—in productivity.

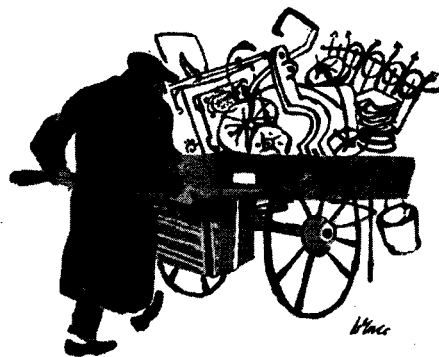
ITEM: French-developed techniques for making prestressed concrete have enabled France to complete recently such notable engineering achievements as the suspension bridge over the lower Seine near Tancarville, the longest on the continent of Europe, and the great inland waterway linked to the Rhine, the Canal d'Alsace, which is wider than the Suez Canal. These same techniques are being used under the guidance of French engineering consultants on major public works all over the world, including the new bridge over Louisiana's Lake Pontchartrain.

THESE ARE not isolated examples.

Stimulated by the Marshall Plan and urged on by the state, by the powerful Confédération Nationale du Patronat Français (the French N.A.M.), by the dynamic Jeunes Patrons (an organization of young industrialists), by specialized industrial organizations like the National Steel Chamber, by the Confédération Générale de Cadres (executive personnel), and by a few of the more enlightened labor leaders, French industry has generally plunged into the modern industrial age with an enthusiasm that even five years ago would have seemed almost unbelievable. Plant modernization and productivity in the narrowest technical sense have received the major emphasis so far, but there is also a powerful trend toward expansion,

toward concentration at the regional or industry level, and toward rationalization of supply and marketing, with an ever-increasing degree of co-operation among formerly dog-eat-dog industrial feudalists. The parallel development of agricultural and consumers' co-operatives, the latter of which last year sold to members some \$291,750,000 worth of goods through 7,062 regional co-ops, seems further to belie the legend of incorrigible French individualism.

The establishment of the Coal and Steel Community under the direction of Jean Monnet has already stimulated the modernization of the French coal and steel industries. The prospect of a European common market is inciting numerous



large firms, like the Renault and Simca automobile works, to step up their modernization and to launch major expansion programs to be ready to meet the new competition and exploit the new opportunities that lowering European customs barriers will create.

The Productivity Crusade

The steel, light-metals, chemical, and electronic industries are in the vanguard of progress, along with such nationalized or partly nationalized industries or concerns as coal, the railroads, gas and electricity, oil, the Renault automobile works, aviation and airlines (Air France), but the impact of the productivity crusade is evident throughout almost the whole industrial field. Before the war the efficiency of French industry, as measured in output per employee, used to improve at the rate of about 1.5 per cent annually. In 1954 the rate had jumped to 5.5 per cent. This represented a sort of technological boom; even in the

U.S. in recent years productivity has increased by only about three per cent a year. But 1954 was only a starter for France. Next year the increase was six per cent, by the end of 1956 experts estimate that it was close to the seven per cent mark, and the French National Institute of Statistics has announced that in May of this year, industrial production was eight per cent above that of the previous May, a new record and more than double the American rate of industrial improvement. During the eighteen-month period that ended last summer, France showed the highest increase in output per employee of any country in Europe.

"A sort of myth has been widespread in industrial circles in the United States that French industry is not very capable of entering into mass production or of competing with other countries in this field," noted former Ambassador C. Douglas Dillon a few days before his return to Washington last February. "What I have seen here has shown me that this is, and was, nothing but a myth. French industry can produce just as well and just as cheaply as any other country."

"IMMOBILISM" has long since ceased to be the dominant feature of the French economic system. Year by year, the gap between France and the other great industrial nations is closing. This has drawbacks as well as advantages: For the expatriate from the twentieth century, France is no longer the haven of *douceur de vivre* that it was before the war.

But for the underprivileged worker, for the struggling young technician, it is beginning to look again like a nation with a future. Since 1954 French factories have been increasing their output at the average rate of some ten per cent a year. Agricultural production is expanding less rapidly, but in 1955 it was twenty per cent above the prewar average. Despite two climatically disastrous years, it has since continued to progress. (The average wheat yield per acre for the whole country is approximately sixty per cent above the U.S. average.) As a result the national income, now the third highest in Europe, is steadily rising, and real wages, de-

spite inflation, have climbed steeply.

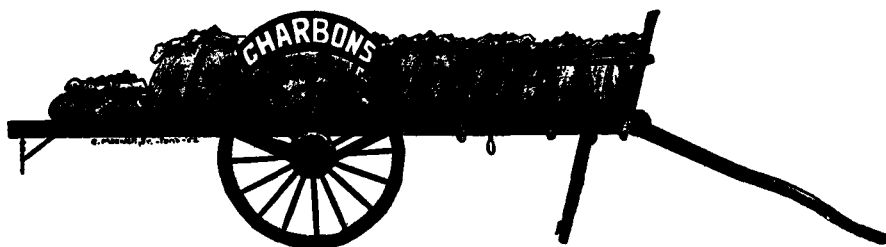
French official statisticians claim that real wages have increased close to twenty-five per cent in the last few years, and jumped 5.2 per cent last year. This may be optimistic, but a recent authoritative study by the United Nations Economic Commission for Europe agreed that "real wages seem to have increased more since 1953 than in the other countries of Western Europe." (Buying power is of course seriously threatened by the present financial crisis, but this is probably a temporary setback.) Though on the low side compared with several other western nations, French wages are bolstered by an efficient social-service benefit system that adds forty-two per cent to employers' payrolls; by the longest annual paid vacations in the world, except for Scandinavia—eighteen days, plus Sundays; and by various other fringe benefits, especially in nationalized industries.

Counterbalancing these "self-indulgent" features of the French economy, public and private investments in future industrial expansion last year increased 9.5 per cent over the previous year and have been running in recent years at around six and a half billion dollars annually—eighteen per cent of the 1956 gross national product. It is significant that a substantial percentage of the national income and energy has been plowed back into huge-scale, long-range development projects that create new sources of wealth. One of these projects recently completed was the construction of Eu-

million kilowatt-hours per year.

Another grandiose French development scheme, on the scale of TVA, has been responsible for the miles of fencing and the seemingly limitless deserts of mud that in the last few years have hid the Rhone from tourists driving down the valley. Behind the fencing the Donzère Canal, the longest diversion canal in the world, and related works are being constructed. This is only one out of some twenty dams and other major projects to convert the unruly Rhone into a producer of electricity, an irrigator of neighboring farmlands, and a navigable waterway from Geneva to the Mediterranean; the Donzère complex is one of the engineering marvels of the modern world. Below Donzère in the marshy delta area of the Camargue, a huge drainage project has converted the salt marshes, once famous for their herds of wild cattle and horses, into rice fields which already supply a third of France's consumption. A gigantic five-year development plan will stretch a network of irrigation and drainage canals from the mouth of the Rhone to the Pyrenees, reclaiming or improving two hundred thousand acres for food production.

THE SUBTERRANEAN bonanza in oil and natural gas that the French have recently uncovered in the barren heart of the Sahara was not sheer luck but the reward of years of costly prospecting in the world's greatest, grimmest desert. Less dramatic but no less dogged efforts in metropolitan France had already



rope's highest dam at Tignes, which, with its related hydroelectric systems, will hold in reserve half the stockable energy available in the whole Alpine range. Near Saint-Malo, on the Channel coast, work is in progress on one of the world's first hydroelectric plants to harness the power of the ocean tides; eventually it will be able to generate eight hundred

begun to tap formerly unsuspected petroleum reserves of substantial volume under the pine flats of the southwest coast, the wooded ridges of the Jura, the orchards and meadows of Normandy, and even the outskirts of the Paris region. In 1949, near the little village of Lacq in the foothills of the Pyrenees, government oilmen drilling to tap a me-

dium-size petroleum field hit a reservoir of high-calorie natural gas that eventually turned out, according to conservative estimates, to hold some 150 billion cubic yards—enough to meet a sizable portion of France's growing energy needs for the next thirty years.

Officials of the Monnet Plan for lifting France by its technological bootstraps realized that this find would revolutionize the nation's industrial equilibrium and immediately began to block out a system of pipelines—ultimately due to stretch as far as Paris—that would make possible the rapid industrialization of some of France's poorest areas. It was only this spring that gas finally began to hiss through the first feeders to the kitchen ranges and factory furnaces of Bordeaux. The French had to invent a new steel formula for casting pipes able to resist the corrosion of the sulphur in the Lacq gas. This led to a huge, costly plant for desulphating the gas itself—which is rapidly making France one of the world's major producers of sulphur.

Similar illustrations of economic and even administrative virility abound in France today, both in the wide nationalized sector of industry and in private business. (Nationalized management in France is fully as enterprising as free enterprise, but less profit-minded, and therefore sometimes inclined to be wasteful.) The implication is reinforced by the continued high birth rate—now 19.4 per thousand and claimed by some enthusiastic statisticians to be rising more steadily than any in Europe—which in 1955 accounted for 802,000 births, bringing the French population to the all-time high of nearly forty-four million.

The Debit Side

There are, of course, plenty of items on the debit side of the French ledger. They help account for the treasury and foreign-exchange crises that confront the nation with the grim dilemma of recession-producing austerity or runaway inflation, either one fatal to the European common-market program—on the scheduled eve of ratifying the treaties, the government had to set up import quotas for all goods—and either

one leading inevitably to social turmoil and political upheaval.

There are the surviving pockets of economic backwardness, particularly in agriculture. There is the chronically unsound French fiscal system. There is the overvaluation of the franc in relation to other leading currencies. There are the accumulated policy mistakes of the past few years. There is the loss of American offshore procurement contracts, and the excessive caution of the Eisenhower administration in bailing out an ally who from the long-term viewpoint is a thoroughly sound credit risk. There is the difficulty, never frankly faced by the recent weak governments, of reconciling economic expansion and social progress with the prosecution of the war in Algeria, which absorbs over a billion dollars of the annual budget and competes with civilian industry for imported raw materials.

There is the less excusable failure of the executive to tackle the foreign-trade deficit, which has been

energy above all things; and despite France's enormous strides in discovering and exploiting new sources of energy, it has not been able to keep pace with the rapidly growing domestic needs of domestic production. Last year, coal and petroleum imports accounted for more than sixty per cent of the foreign-trade deficit. There is some real truth in the quip a French friend made to me recently: "As far as I can make out, the trouble with France is that we can't afford so much prosperity."

An especially significant illustration of this basic paradox is the recession in certain sectors of the national economy that in recent years has gone hand in hand with the boom in others. Despite rising farm productivity, seven farmers, on the average, go out of business every forty-eight hours. They are mostly undercapitalized peasants exploiting submarginal land. A similar trend is apparent among artisans, small inefficient local industries, and above all among the six out of ten small shopkeepers with a turnover under \$300 a month—last year there were still nearly a million of them left.

The disappearance of these inefficient units of production and distribution is an essential phase of the modernization of France's economy. Understandably, these people are not happy about it. Less understandably, French big business, big bureaucracy, and big politics—the Socialists are probably the worst offenders—have displayed an almost Bolshevik callousness about the process and make little effort to ease the human suffering caused by it.

A Crisis of Growth

In the absence of the cushioning elements which they could between them provide, the present politico-economic turmoil here is perhaps inevitable and represents that price France is having to pay for modernizing too fast as well as too unevenly. The European common market, if it is finally ratified and put into effect, will intensify it, stimulating expansion of the modern sectors of the national economy, penalizing more heavily than ever the backward ones. The crisis is an extremely grave one, but it is not a crisis of decay. It is a crisis of growth.



building up for two years, before it got out of hand. And underlying all the errors and failures is the breakdown of the political reforms, many of them basically unsound to start with, enacted by the idealistic fathers of the Fourth Republic.

OTHER FACTORS contributing to the present crisis, however, stem from the very effort of expansion and modernization that France has been making in recent years. An expanding industrial plant needs

New Line-up

In the Kremlin

ISAAC DEUTSCHER

THE SHOWDOWN between Khrushchev and his opponents that led to the expulsion of Molotov, Kaganovich, and Malenkov from the Central Committee developed out of a situation in which Khrushchev was threatened with nothing less than the loss of power. In the weeks preceding the crisis he clearly found himself in a minority at meetings of the Presidium, where he was outvoted on major issues of policy.

Of the eleven members of the Presidium at least six regularly cast their votes against him—Molotov, Kaganovich, Malenkov, Pervukhin, Saburov, and Suslov. Voroshilov vacillated, and even Bulganin's attitude was uncertain. The majority of the Presidium appeared to be on the point of deposing Khrushchev from his post as the party's First Secretary. This compelled Khrushchev to appeal against the Presidium to the Central Committee, as, according to the party statutes, he was entitled to do.

The opponents of Khrushchev were not a uniform group. Ever since Stalin's death the alignment within the Presidium had been fluid. Yet some points about it have been quite unmistakable. Molotov and Kaganovich had been the official leaders of the Stalinist die-hards, and had fought a prolonged and stubborn rear-guard battle against all the reformist changes in Soviet policy, domestic and foreign.

Malenkov represented at first a different attitude. He favored a pro-consumer line in economic policy and a relaxation of tension in foreign policy; but he was opposed to drastic de-Stalinization and probably also to decentralization of industrial management. Shepilov differed in foreign policy from both Molotov and Khrushchev, but he was opposed to Malenkov on economic policy. Pervukhin, Saburov, and Suslov backed the Stalinists, the

first two especially over the organization of industry. As the struggle went on, the various groups, despite their different viewpoints, became more and more united in opposition to Khrushchev.

Battle on Three Fronts

After the Hungarian rising last October the Stalinist die-hards were in an aggressive mood and confident that they could regain power. It was only by a very slight majority, consisting of one or two votes, that Khrushchev had been permitted to make his "secret" speech about Stalin in February, 1956, and his position within the Presidium was even weaker when he initiated the overhaul of the entire Soviet industry last May. In early summer the conflict was brought to a head over three major issues:

¶ The industrial bureaucracy of Moscow and a section of the party machine were in revolt against Khrushchev's decentralization of economic management. Molotov, Kaganovich, Pervukhin, Saburov, and probably Malenkov too led this revolt. Many of the big industrial managers who were supposed to leave the ministries in Moscow in order to take up posts on the newly formed provincial economic councils delayed their departure from the capital in the hope that Molotov and Kaganovich might return to power and cancel Khrushchev's reform.

¶ The next great controversy concerned Moscow's attitude toward Mao Tse-tung, especially after the publication of Mao's "hundred flowers" speech, with its strongly anti-bureaucratic accents, its encouragement of greater freedom of expression, and its liberal attitude even toward workers' strikes. All this was dynamite for Russia. The Stalinists refused to swallow Mao's speech; and they adopted toward him an attitude so hostile that if it had be-

come official it would have led to a momentous breach between the Soviet Union and China.

¶ Finally, Molotov and his associates were strongly critical of Khrushchev's proposals, made in his televised interview with the Columbia Broadcasting System, for a withdrawal of American and Soviet troops from Europe, and they evidently took the view that he was inclined to go too far in making concessions on disarmament and in accepting western suggestions on inspection in the event of a suspension of atomic tests.

It was in near panic that the Central Committee met on June 22. Men of the Molotov-Kaganovich faction had been canvassing influential party members, talking about Khrushchev's "treason," hinting at his forthcoming dismissal, and inciting the heads of Moscow's industrial trusts to resist his trust-busting operation.

However, at the Central Committee, the membership of which is much younger than that of the Presidium, the anti-Stalinist elements have been stronger than on the Presidium. Khrushchev counted on their support, and his calculation was correct.

Yet Khrushchev's claim that the Central Committee has backed him unanimously may be dismissed as sheer fantasy. The Central Committee, too, is divided, and anti-Khrushchev factions are represented on it in strength. What determined the outcome of the session and the apparent meekness of the Central Committee was the attitude of the military elements, especially Marshal Zhukov's personal intervention. For some time past Marshal Zhukov had been a virtual umpire vis-à-vis the opposed factions; and he now threw his decisive weight behind Khrushchev. Whatever various groups at the Central Committee may have felt about it, none dared to defy the army.

HOW STRONG, then, has Khrushchev emerged from the contest? The new Presidium, its membership enlarged from eleven to fifteen, is by no means uniformly pro-Khrushchev. Khrushchev's own group consists of seven or eight members, not enough to give him a stable