Comment

having to alter the constitution on this matter once again.

3) The initiative goes too far in many respects but only covers the problems of primary and secondary education. It says nothing of pre-school education and university.

The Federal Department of Interior Affairs had already prepared a new draft of Article 27 in 1970. It was submitted to the Conference of the cantonal school director in April 1971 and to the Cantons and political parties.

The original draft of the two new articles were long and detailed. It is impossible to discuss them now. Besides, the draft is not yet in its final version. Restricting ourselves to primary schooling, it can be said that the proposed amendment reflected a new understanding of the separation of competence between Confederation and Cantons. The federal state has now accpted to deal with school policy, contradicting the statement by a Federal councillor twenty years ago.

The draft made the Confederation and the Cantons jointly responsible for education, but tactfully stated that the larger part should remain the concern of the Cantons.

We all know, and the official who wrote it knew as well, that such an expression is a political consolation. Once part of the competence is given to the Confederation, it is a matter of time until the rest follows.

The new draft of Article 27bis in its present form says that: a) education before and during obligatory schooling is a concern of the cantons; b) the cantons have to co-ordinate education; c) the Confederation is entitled to fix the duration of obligatory schooling; and d) to promote cantonal co-ordination of schooling.

Fight for cantonal autonomy

To sum up, we now have on the one hand an initiative by the youth section of the Agrarian Party to renew Article 27 and propaganda in favour of abandoning the "Konkordat" (which seems to correspond to the present mood of the Bernese and the people of Zurich), and on the other hand, we have proposals by the Federal Council to preserve the "Konkordat", to reject the initiative by the Agrarian youth and to accept the Government's draft of Articles 27 and 27bis of the Constitution.

Parliament discussed the situation at the beginning of June. I would like to mention briefly a Pro Juventute report sent to those concerned only a few days ago. It is entitled "Critical remarks on the Federal Council's draft of the Constitutional article on education". One chapter, "Meaning and limits of federalism in education" deals with the co-ordination in schooling, and says that the Federal Councl was favourable to the "Konkordat" under the pressure of the Agrarian initiative. However, according to the report, the Constitution has doubts on the "Konkordat's" efficiency since it smuggled its own guarantees in the 27th Article. Indeed, although the "Konkordat" fixes the duration of obligatory schooling, the Federal draft provides for federal decision on that same matter.

The draft Article also gives the Confederation general competence to promote cantonal school co-ordination. This, says Pro Juventute, empowers the Confederation to issue all necessary decrees and replace the work of the Intercantonal Agreement.

Supporting, as it were, the Federal Council's misgivings, the Pro Juventute Report bluntly states: "To search for co-ordination in schooling by means of an intercantonal treaty is just not up-to-date. Those who promote such a solution try to preserve a kind of formal federalism which does not protect any value worth keeping".

It is far better to leave the Confederation with the responsibility of external co-ordination of obligatory schooling, age of entry and beginning of the school year. The internal co-ordination in respect of teaching methods, change of schools, recognition of educational certificates could remain a matter of the cantons. But all this would not involve acceptance by the cantons of a federal school bailiff, adds the Report.

This brings us back to the vital issue underlying school co-ordination: Cantonal autonomy. Indeed, the right to organise their schools at their own discretion is one of the last remaining bastions of the autonomy left to the Cantons.

COMMENT

HISTORICAL TURNING POINT

After two years of labourious negotiations and plenty of last minute suspense, Switzerland signed an historic free trade agreement with the European Economic Community on Saturday, 22nd July. That same day, five other non-candidate countries and former EFTA partners signed similar agreements. The gist of the agreement has already been described in these columns. It is a treaty which will progressively lift all tariff barriers between Switzerland and her Common Market trading partners. The Treaty has no political strings attached and was conditioned by the fundamental demands of neutrality, direct democracy and federalism, i.e. the three pillars of the Confederation.

The Treaty covers the following chapters: Tariff reduction and elimination of all import quotas; safety clauses; evolutive clauses; rules of origin; agricultural concessions a foreign labour protocol, and competition rules. Let us resume them briefly:

Custom duties for imports will be reduced by 20 per cent every year, starting on 1st April, 1973 and then on 1st January of each year, so that free trade will have been established by the end of 1977. This part of the agreement is not entirely reciprocated because certain Swiss export products, mainly cheap watches, will not immediately benefit from tariff reductions in the EEC. The contracting parties will furthermore abstain from limiting their mutual imports by quotas and from giving preferential treatment to home made products.

The unhindered working of competition must be preserved and that is why the Agreement also contains anti-trust provision aimed against companies wielding excessive domination of the European market, and other clauses prohibiting State subsidies liable to upset free competition.

The safety or "escape clause" allows contracting parties to appeal to a Joint Commission planned in the Agreement and in exceptional cases to breach the Agreement unilaterally if that party feels that its partners are not abiding by its rule, such as by resorting to dumping or other practices prejudicial to its own economy. Switzerland fought hard against this clause but the Six, and later the Ten, would not alter their position. The "Evolutive Clause" lends flexibility to the Agreement, which can thus be adapted to the requirements of change after examination by the Joint Swiss-EEC Commission.

The "Rules of Origin" and those manufactured items not submitted to tariff freezes are not explicitly mentioned in the agreement but contained in a number of appended protocols which were not published at the time of writing. It was over these detailed points that the Brussels negotiaions were the most tricky. The rules of origin depend on the products to which they apply, but fix the proportion of semi-manufactured imports in Swiss export products. Above a given proportion, these products may no longer be tariff free. Likewise, the Agreement contains no agricultural clauses apart from minor concessions and a pledge to increase mutual agricultural trade. Agricultural products were only in-

cluded in an advanced stage of negotiation which were initially restricted to finding a free trade agreement on industrial goods. Finally, reference is made to the foreign worker problem (at the demand of Italy). The declaration does however not go beyond existing Swiss-Italian agreements.

The Agreement was favourably received by most leaders of Swiss industry—who had been fully consulted. There were a few reservations from those most affected by the Rules of Origin (chemicals) and the tariff freeze by the EEC (watches), but the machine industry, a pillar of the Swiss export business, claimed that Switzerland could not have won a better deal.

In fact, the country stands to gain perhaps even more than its new partners. Apart from so-called "sensitive products", particularly paper, most of Swiss non-agricultural goods have a good chance of withstanding competition at home and making a breakthrough abroad. This is particularly true of highly specialised machine tools, precision instruments and pharmaceuticals which Switzerland would have continued to sell to the EEC anyway.

The stakes are obviously smaller than for Britain not only because the Agreement is less extensive than the Entry Treaty, but also because Switzerland has entered into closer co-operation with the Common Market from a position of industrial strength. This can't be said of Britain. The Agreement reached by the Swiss Government has nowhere near the same degree of risk and one can be nearly sure that it will be beneficial to her prosperity.

(PMB)

SWISS EVENTS

FEDERAL

New Rent Law

After having been shuttled several times between the National Council and the Council of States during June, an important "urgent decree" tabled by the Federal Council to stem rising rents has been adopted by Parliament and taken effect on 5th March. The Decree is valid for five years and can be questioned after a year in an optional referendum for which 30,000 signatures are necessary. It would then be necessary for both the majority of cantons and citizens to approve it. The decree applies only to those areas suffering from a shortage of housing. As this is the case of all the large towns ,it will affect the majority of the population.

The Decree is a complex document. One of its most important points is to subject all leases of over five years to a cost of living index clause. In effect, rents will be allowed to rise by four-fifths of the rise in cost of living between successive lease agreements. This "indexation" of rents has been at the centre of much debate in both houses.

Another controversial point was the definition of a "just rent". The Federal Council wanted to prevent property developers from making excessive profits and thus attempted to draw the line between "acceptable" and "excessive" rents. A definition was drafted after much discussion in parliament. It was decided that rents would not be excessive if they were calculated so as to preserve the purchasing power of the risk capital involved in financing the tenements and buying the land. In effect, non-excessive rents should only pay for letting costs and may not be increased, in excess of those costs by more than 40 per cent of the cost of living index during a lease.

A machinery has also been set up for rent disputes. A tenant may complain within thirty days to the rent tribunal of excessive rent increases. While the Tribunal enquires, all rents are frozen. Landlords must inform their tenants of rent increases in good time and explain their reasons on a standard form. If the parties still disagree after the intervention of the rent tribunal, the rent fixed in the original lease agreement is maintained but the landlord may appeal in court. The same kind of procedure applies for lease renewals. In all cases, tenants may ask for the advice of the Rent Tribunal.

This is the bare outline of a complicated package which will offer considerable protection against increasing rates and their repercussions on the general cost of living.

Mr. Graber and the European Security Conference

The Soviet review *Literatournaia Gazeta* published an interview given by Mr. Pierre Graber, Head of the Political Department, to a correspondent of the Soviet Novosti Press Agency.

Being naturally interested in Mr. Graber's position on a planned European Security Conference, which the Russians first suggested, the magazine gives particular attention to Mr. Graber's comments on this topic.

Mr. Graber is quoted as saying that the future European Security Conference should not only be a forum for discussions but genuinely striving towards a lasting *détente*. He said that the participants should carefully work out an agenda during preliminary meetings. Switzerland could make an important contribution to the Conference, he added, and was presently