COUNTERREVOLUTIONARY COUP D'ETAT IN BRAZIL

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in Brazil. The reactionary character of the coup d'etat is sufficiently attested by the relief and joy with which it was greeted in New York and Washington and by the sweeping witch-hunt begun under the slogan proclaimed by Sao Paulo's reactionary Governor Adhemar de Barros upon the overthrow of Goulart's government: "We will go hunting for Communists."

Goulart represented the most "enlightened" sector of the national bourgeoisie and petty bourgeoisie. This sector recognizes that Brazil's antiquated economic and social order cannot be maintained for long against the tide of history and that the best alternative from the viewpoint of Brazilian capitalist class interests is to make concessions to the masses of workers and peasants who wish to modernize their country and who have become more and more conscious of the models of the Russian, Chinese and Cuban revolutions as realistic ways of accomplishing this aim.

But Brazil's national bourgeoisie is paralyzed by its ties to the feudal-minded landholders and the venal sectors directly linked with U.S. business. It is incapable of exerting the revolutionary initiative to break the grip of the landholders and to press back the foreign imperialists. Thus Goulart's program boiled down largely to demagoguery. And when he did initiate some concrete measures they did not go beyond taking over the seven remaining privately owned oil refineries, expropriating uncultivated land in a narrow strip on either side of Brazil's railways, highways and waterways, and promising rent controls in the cities.

These were small concessions in the light of the mounting mass pressure. Peasants, in fact, began seizing land in the northeast in recent months, the unemployed have rioted in Brasilia, and, of course, there is the constant pressure from workers for wage boosts to keep up with prices which jumped more than eighty per cent last year. Goulart's measures were ridiculously far from meeting the prescriptions proffered in the "Alliance for Progress" program to Latin America's oligarchies about the need to undertake minimum self-reforms if they hope to avoid being overwhelmed by revolutions like the one in Cuba.

Served as Catalyst

In the context of the crisis-ridden economic, social and political situation in Brazil, however, even this feeble turn to the left, announced February 17 and followed up by a giant rally in Rio de Janeiro March 15, was sufficient to serve as a catalyst. The masses tended to take Goulart's concessions, which were designed to secure and retain his leadership over the masses, as the signal for a new era. Once begun, mass action would have tended by its own logic to sweep over the head of Goulart. This was clearly indicated by the beginning of fraternization between the rank and file of the sailors and marines and trade unionists in Rio de Janeiro (the so-called March 25-26 "mutiny").
Brazilian reactionaries were keenly aware of the implications. Goulart's gestures in the direction of an agrarian reform brought a threat from Governor Adhemar de Barros to use his state police to block any land seizures by federal authorities. Big landholders all over Brazil threatened to shoot any peasants who might move ahead and take the land themselves. In the armed forces, consciously fascist elements began feverish agitation. Some 700 top officers of the marines, including fifteen admirals, met at the Naval Club, with the flag at half mast, to protest the amnesty given the "Easter mutineers." Among them was Carlos Pena Boto, president of the "Anti-Communist League" and Admiral Silvio Heck, one of the ministers in Quadros' cabinet who opposed Vice-President Goulart taking office when Quadros resigned in 1961.

After a tip-off from policy-makers in Washington, the plotters went into action. On March 31 Governor Magalhaes Pinto of Minas Gerais rebelled against the federal government. An army spokesman in Belo Horizonte, the state capital, said: "President João Goulart is not in charge here any longer. If the president sends a general here to interfere, that general will be arrested at the airport." This was followed by mass arrests of trade-union leaders and the seizure of newspapers, and radio and television stations. Ten more governors of Brazil's twenty-two states joined the counterrevolution. Army officials who appeared loyal either capitulated or were arrested. The Socialist governor of Pernambuco, Miguel Arraes, was arrested as were other elected officials throughout the country.

Labor leaders had threatened to stage a nationwide general strike if the threatened plot were actually carried out. The threat proved to be empty, since no preparations had been made for this eventuality. Thus most of the labor leaders found themselves behind bars. The plot succeeded so swiftly and so easily that its authors themselves were surprised.

Green Light in Washington

It must be stressed that a key, possibly decisive move, in the plot came March 17 in Washington when Thomas C. Mann, Assistant Secretary of State for Inter-American Affairs and President Johnson's chief Latin-American policy-maker, gave a speech before an assemblage of "high-ranking United States officials serving in Latin America." The text of the speech was not made public, but the March 20 New York Times reported the gist of it in a front-page article. It was the announcement of an important shift in policy. Under the new policy, "the United States would no longer seek to punish military juntas for overthrowing democratic regimes...."

Mann was said to have concluded that "the United States should stop trying to distinguish between dictators and democratic regimes in its foreign policy." To drive home his point, Mann "was quoted as saying that he had difficulty in distinguishing politically between Presidents Adolfo Lopez Mateos of Mexico, Victor Paz
Estenssoro of Bolivia and Alfred Stroessner of Paraguay."

The objectives of the "new" policy were listed as "the fostering of economic growth in the area, the protection of $9 billion in United States investments there, nonintervention in the internal political affairs of the hemisphere's republics and opposition to Communism."

This represented no shift in fundamental policy, which has always been to protect the investments of U.S. bankers and monopolists and to back reactionary regimes. It meant simply that the State Department would no longer be bound by the diplomatic niceties of the "Alliance for Progress" stance which required deploring the fall of a "democratic" regime at the hands of the military caste and observing a decent interim before recognizing the successful plotters of a coup d'état even if they are aided by the Central Intelligence Agency.

In a wider sense, the speech served notice that U.S. imperialism rules out the variant of seeking to save capitalism by considerable concessions such as were instituted by Lázaro Cárdenas in Mexico and Juan Perón in Argentina. Aside from prejudices about making concessions, Wall Street is deathly afraid that any steps in this direction would only open the door for a revolution of the Cuban type. Goulart's "enlightened" course was unacceptable. In their own way the rulers of the Western Hemisphere pay tribute to the validity of Trotsky's theory of the permanent revolution.

In the midst of the events in Brazil, Mann's March 17 speech represented approval of the plot being hatched by the generals, admirals and reactionary governors. All this was confirmed to the hilt when President Johnson on April 2 -- the very same day Goulart was reported to have gone into exile -- sent a cable offering his "warmest wishes" to Ranieri Mazzilli, the stooge named to the presidency by the plotters, and when Secretary of State Dean Rusk affirmed April 3 that the U.S. would "work very closely" with the regime that had toppled the constitutionally established Goulart government.

The reasons for Johnson's interest in the success of the plotters in Brazil are self-evident. In his campaign for the presidency next November, he counts on using the counterrevolutionary coup d'état in Brazil as a great triumph for a new "anti-Communist" policy in Latin America which he personally initiated through Thomas C. Mann and which, in contrast to China and Cuba, "saved Brazil from Communism." He counts, in addition, on mobilizing Brazil for new measures aimed at the Cuban Revolution. Rusk hinted in his April 3 press conference that Brazil might now join the State Department in bringing further pressure to bear on the Castro government.

On top of this, American imperialism obviously hopes that the turn in Brazil, the largest and most populous country in Latin America, will not only prevent this power center from sliding into revolution, but will establish a new pattern for the whole hemisphere,
possibly even encouraging the military caste in Chile to engage in comparable moves in that country before the elections September 4 which presage a victory for the left.

Cannot Bring Stability

The counterrevolutionary coup d'état in Brazil, however, will not prove durable. It can only postpone the revolution and add to its explosiveness. The new regime will, of course, follow the classic pattern of its numerous predecessors. It will seek to stabilize the situation through repressive measures. Already hundreds of trade unionists have been arrested and the purge includes circles deemed even remotely liberal. The objective of these moves is not only to behead the opposition, or potential opposition, but to prepare the ground for "austerity" measures through which a temporary solution to Brazil's near bankruptcy will be sought at the expense of the living standards of the masses.

Such measures, however, cannot possibly solve economic problems of the scope faced by Brazil. These stem fundamentally from the interrelationship between Brazil and the imperialist centers and involve the notorious "widen ing gap" between the levels of the imperialist and colonial sectors of the international capitalist structure. Brazil's outrageously unbalanced economy, outmoded agrarian pattern, improper investment structure, raging inflation and cancerous unemployment derive their special virulence from this. Such deeply rooted ills cannot be rectified along the capitalist path in the world of today; it is barred by the needs of imperialism and the fears of the national capitalists to take vigorous measures against the feudalistic vestiges. The only way out is through swift expansion of productivity by means of a planned economy that connects up with the planned economies of the workers states. This elemental truth has seeped down to the level of mass consciousness throughout the colonial world.

The pitiful illusion that Brazil can be stabilized by instituting "austerity" measures runs into another difficulty. Living standards in Brazil are already at rock bottom. In some areas of the country, particularly the northeast, the level is as abysmal as in India and explosive tensions have been building, particularly among the peasantry, for some years. An effort to further depress consumption of such elementary things as food, clothing and housing in face of ostentatious wealth and glaring special privileges can quickly prove to be utterly unendurable. To further increase the terror; i.e., attempt a Nazi-like solution would prove quite difficult in Brazil, although certain elements are clearly prepared to try that road. Even if they were to succeed, the ultimate outcome would be similar to the outcome under Batista in Cuba and Chiang Kai-shek in China but in a much shorter period under present-day world conditions. The forecast for Brazil remains: great instability.
Problem of Leadership

The main leaders of the Brazilian working class have proved woefully inadequate in measuring up to the needs of the situation. As the counterrevolutionary plot unfolded, almost openly, they seemed unable to grasp what was really happening. They were betrayed by the fatal policy of relying on and supporting allegedly "progressive" sectors of the national bourgeoisie instead of depending on their own capacities and the power of the masses and setting out boldly on a course of independent political action. By trusting to Goulart they made it easy for Carlos Lacerda, the sinister one-time member of the Communist party and now reactionary governor of Guanabara, to master-mind the plot that brought down the federal government. As in other countries, the Brazilian workers have had to pay a bitter price for the decades in which the Communist party applied the Stalinist policy of "peaceful coexistence" with the Brazilian and U.S. capitalist classes.

At present the Communist Party is much reduced in membership and influence and has split into two sectors, pro-Khruschev and pro-Peking. The latter wing, together with other socialist-minded currents, offers some hope of helping to provide the nucleus for constructing the necessary Marxist-Leninist leadership and mass revolutionary-socialist party, but only if it avoids repeating old Stalinist mistakes, even if under new (and in some cases not so new) labels. The greatest hope is that these militants will continue to carefully study the example of the Cuban Revolution, above all the recognition by the July 26 leadership, after coming to power, of the importance of building a revolutionary-socialist party. In a country with class relations as developed, as hardened and as complex as those in Brazil this is absolutely crucial, as the current events prove once again.

While the last word has not yet been given by the workers and the unemployed in the wretched, teeming favelas of Brazil's major cities, the failure of their current leadership in face of the exceptional opportunities and the acute counterrevolutionary danger, may now shift the political axis for a time to the countryside. Brazil's major need is a thoroughgoing agrarian reform. The peasants have been organizing for this, principally under the leadership of Francisco Julião, and their expectations were undoubtedly aroused by the steps projected by Goulart in February and March. They may begin to take things into their own hands. This could mark the beginning of a class struggle of ferocious character -- in view of the landholders' blind resistance to any concessions whatsoever -- that would eventually sweep into the cities.

Thus, while the counterrevolutionary minority seem to have secured a firm grip on government power in Brazil, their act of desperation may prove to be but a prelude to the great social upheaval which no force on earth can long restrain.
ANOTHER STEP FORWARD IN ALGERIA

By Henri Dumoulin

ALGIERS, April 1 -- The National Congress of the Industrial Self-Managed Socialist Sector, held here March 28-30, marked another step forward for the Algerian Revolution. For three days, 1,134 registered delegates, democratically elected by the workers in some 450 enterprises, discussed the problems they face.

The gathering was held in the Majestic theater in the Bab El Oued district, once a hotbed of reaction and a center of the French terrorist OAS [Organisation de l'Armée Secrète]. The revolutionary change that has occurred in Algeria was well symbolized by the banners to be read in such a place, hailing management of industry by the producers themselves as a "revolutionary conquest of the workers."

Delegates spoke with the greatest freedom, expressing often sharp criticisms as they made suggestions for the improvement of the institution of self-management.

A certain lack of co-ordination was observable between the work of the congress and that of the commissions which drew up the resolutions. Such rough edges were almost inevitable in light of the lack of long experience in the operation of socialist democracy. This general gathering of workers nonetheless proved to be a particularly valuable school for the education of revolutionary militants and cadres.

The most important points of the resolutions that were adopted were as follows:

- Regroupment and consolidation of the self-managed enterprises.
- Constitution of a credit institution for the socialist sector.
- Extension and strengthening of the state supervisory body on a regional and local scale, controlled by the workers.
- Establishment of national and regional councils of "animation" for planning in the socialist sector.
- Absolute priority for the socialist sector in government buying.
- Liquidation of the outmoded administrative procedures inherited from the colonial epoch.
- Absolute priority for the socialist sector in all the markets
as against private industry, provided that the prices of goods produced by this sector are not more than twenty per cent higher.

- Protection of the socialist enterprises against competition from local or foreign private enterprise.

- Within the context of full application of the March 1963 decrees, the problem concerning what to do with the "surplus" does not arise, since the decrees took into consideration the contribution of socialist enterprises to the general investment effort of the country.*

- The same decrees state that the surplus, after certain specified deductions, are at the disposal of the General Assembly of the Workers [one of the self-management bodies].

- The congress recommended that distributions of the surplus should in no case be more than a worker's wages for a month.

One of the most interesting contributions was the closing address made by Bachir Boumaza, the Minister of Economy. Here are some of the highlights of his remarks:

"When future generations write the history of socialism in our country, they will take as the point of departure the promulgation of the decrees of March 1963.

"In many countries, too many workers have seen the fruits of their victory seized by others. By creating a vast sector of social property, the decrees became the line of demarcation, enabling us to clearly distinguish the genuine partisans of socialism from those for whom socialism was a tactic and a maneuver to achieve their own aims.

"In face of the speculators and the vultures of all kinds, following Independence, the government posed the principle: socialism means land to those who work it; it means factories to the workers.

"The only realistic way to solve the problem of productivity and of profitability, so long as a market economy remains and adequate planning measures have not been taken, is to utilize the principle of materially interesting the workers and thus mobilizing their enthusiasm."

Boumaza declared that the self-managed sector must become a model, capable of crystallizing forces on an economic and political

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*For discussion of this problem see World Outlook, February 21 and March 27. Also see related discussion in E. Germain's "The Law of Value in Relation to Self-management and Investment in the Economy of the Workers State" in World Outlook, December 27 and January 3.
level in the struggle for the advancement of the socialist revolution.

"But it is our duty to reinforce the solidarity between the workers in the private and self-managed sectors. That is why it is necessary to envisage a congress of workers in the private sector who, through their struggles and their sacrifices, are also preparing the conditions for a socialist society."

Analyzing the demand put forward at the congress for creation of a body to handle credits for the socialist sector, Boumaza touched on the problem of socialist planning of the economy.

"Faced with the necessity of obtaining investments, the management committees would like to pool their funds to create a financial body. But it is not by piecing together rags that a good overcoat is made. To give the workers means to work it is necessary to take money from the pockets of you know whom! It is not a bank for the socialist sector that can do this, but a state organism, controlled by the workers.

"The financial problems will be resolved by a decree fixing the obligations of the Central Bank and the Algerian Treasury of Development.

"Planning will determine the goals of production, of financing, of marketing. The plan will be carried out by bodies managed by the workers. Planning is the only socialist method for promoting economic development."

This perspective, outlined by Boumaza, of planned organization of the Algerian economy, poses the problem of political power and the character of the state inasmuch as only a proletarian power and a workers state can achieve socialist planning in Algeria.

If Algeria now has a "workers and peasants government" which is pressing in the direction of socialism, almost all the state structures remain neocolonialist, favoring bureaucratism, and the imperialist pressure is heavy. A qualitative change in the state structures still remains to be accomplished. The government is preparing a house-cleaning operation against the saboteurs and speculators, but this involves individuals and not the transformation of structures.

These problems are, in reality, directly linked to the congress of the FLN [Front de Libération National] which has been scheduled to open April 16. One of the main problems to be considered at this congress is the transformation of the FLN into a revolutionary-socialist party.

Revolutionary Marxists can only hope that this complex problem
will be posed with the necessary clarity and that the congress will mark the beginning of the correct solution.

GIANT RALLY ANSWERS "EMERGENCY" DECREES IN CEYLON

A mass rally was held on Galle Face Green in Colombo March 21 at which union spokesmen warned the Ceylonese working people that a reactionary coup d'etat might be attempted in their country. Besides denouncing this plot, they advanced twenty-one demands, prominent among them being an immediate pay increase of a rupee [\$2.1] a day, or thirty rupees a month, for all employees.

Fourteen unions participated in the demonstration, which police estimated to involve a crowd of 50,000. The list of organizations was as follows: Government Technical Officers Trade Union Federation, Public Service Workers Trade Union Federation, Ceylon Mercantile Union, Ceylon Bank Employees Union, Government Workers Trade Union Federation, Ceylon Workers Congress, Central Council of Ceylon Trade Unions, Ceylon Federation of Labour, Democratic Workers Congress, Government Clerical Workers Union, Sri Lanka Jathika Guru Sangamaya, Public Service League, Ceylon Trade Union Federation, and the Ceylon Federation of Trade Unions.

This is the first time that all the unions, including Ceylon's most oppressed sector, the plantation workers, shared the same platform. Another noteworthy feature was the broad band of political tendencies represented by the speakers. These included Trotskyists as well as Communists of both the pro-Khrushchev and pro-Peking variety.

Dr. N. M. Perera, the head of the Lanka Sama Samaja party [Ceylonese section of the Fourth International], who presided at the mammoth meeting, said, "We meet today when Parliament has been prorogued and the Government is facing a crisis. Political adventurists may try to stage a coup and establish a dictatorship. But this rally tells them now that they will be smashed if they resort to such action."

N. Sanmugathasan, head of the Ceylon Trade Union Federation, who was expelled from the Communist party last November because of his "pro-Chinese" views, said that the sinking ship of the government had sought the aid of leftist leaders but he was sure that there were no fools among the leftist leaders who would accept the crumbs of office in this government which was bankrupt and which had lost the confidence to face the Parliament and the people.

If anybody tried to join the government, he continued, and be their appendages to assist the government's antiworking-class activities, they would not only be traitors but would be guilty of a
crime of the greatest magnitude. The workers would not forgive such men.

In his opinion the workers had now realized that the unity and the solidarity of the working classes were the main ingredients for their liberation from the bonds of slavery. They had been once and for all united and that unity could not be shaken by any power on earth, however mighty it might be.

Referring to the twenty-one demands, Sanmugathasan said that no demand of the workers could be achieved by peaceful means. A concerted massive struggle is required. The workers must at the same time be prepared for any eventuality against the repressive measures of the capitalists and the antiworking-class machinery of the government.

Pieter Keuneman, leader of the Ceylon Federation of Trade Unions and a prominent pro-Khrushchevist, said: "The government is at a standstill. There is no Parliament as it now stands in prorogation. Nothing can be done. But one thing this has done during the last few days is the clamping of an emergency, unwarranted and unjustifiable, and it is being continued shamelessly.

"We demand that the Emergency be immediately withdrawn. Under this, no worker in any factory, office or estate could strike, however justifiable his demands are and whatever the injustices done to him by their employers may be. The democratic liberties and the freedoms of the people have been forcibly taken away.

"Some people expect to use the Emergency powers to try similar tactics which were abortive in January 1962. If they attempt to play that game the workers will not spare them but teach them lessons of their life."

P. Bala Tamhoe, leader of the Ceylon Mercantile Union, said that the unity displayed by the workers had been answered by the government through the declaration of a state of "emergency" and the initiation of maneuvers seeking to draw parliamentary representatives of the workers into a coalition government.

"Whoever may have been involved in these maneuvers," he said, "one thing can be said categorically and that is that whoever goes to the side of the government in this situation will be no more, no less, a traitor to the entire working classes."

The twenty-one demands constituted a bill from the working class to the government and the capitalist class, he said. Settlement of that bill was essential. The workers would not allow themselves to be thwarted by diversionary tactics or threats that the government might make.

"The newspapers have had their mouths stifled under the Press
censorship and the Emergency powers have given the Government the legal right to deny any or all of our democratic liberties at any time. This is a situation we must not tolerate for any moment if we are at all serious about the demands that are ratified today in this historic rally. No doubt that there is always inherent in such a situation the possibility of an attempt to establish a naked dictatorship. Such an attempt can only succeed if the working-class organisations surrender without giving battle."

If any such attempts were made, he said, it would give the working class the opportunity of a revolutionary counterblow which would smash through the false facade of democracy under which capitalism and corruption rule hand in hand.

"Cowards in high places may join together with cowards in robes and jointly seek to stab at us with the bayonets of reactionary groups formed in secret in the army and the police. But those cowards will miserably fail. The workers will win and of that I am certain."

One of Ceylon's principal Trotskyist leaders, Dr. Colvin R. de Silva, representing the Ceylon Federation of Labor, gave what was described as one of the most forceful speeches of the day.

He said that in the confusion that prevailed one thing was clear—the government was at the end of its tether. The leaders of this bankrupt government were trying to find other means of remaining in power. There would even be attempts to withdraw the democratic liberties of the people and set up a dictatorship. The possibility of the use of the armed forces and the police for the purpose could not be overruled. The workers would be the first to rise up and fight such moves.

De Silva declared that the Times of Ceylon had said the twenty-one demands were put forward to harass the government. The speaker answered ironically that they were not put forward to mollycoddle the government. They were not only prepared to harass the government but also to fight it if necessary.

NO SALE

Indonesian President Sukarno threw a scorcher at U.S. Ambassador Howard Jones during a public ceremony March 25: "There is one country threatening to stop its foreign aid to Indonesia. That country thinks it can scare Indonesia. I say go to hell with your aid."

One of the State Department policy-makers, it is rumored, thought it was a hot tip and, after investigating the status of Communism there, put through an inquiry to the exotic kingdom to which the Ambassador had been referred. Take American aid, he was told, and shove it. "Got enough trouble here as it is."
AN "IRREGULARITY" IN THE ALEXANDER CASE

The Cape Town trial of Dr. Neville Alexander and ten other African defendants has scarcely been mentioned in the press of the "free world," yet it has provided most illuminating material on the workings of South African "justice." The trial, which opened November 4, 1963, was adjourned December 13. After seven weeks it was resumed February 3.

On the first day in court after resumption of the trial, Gerald Gordon, Q.C., who heads the defense counsel, called the attention of the presiding judge, Justice van Heerden, to an "irregularity."

During the seven-weeks adjournment, Dr. Alexander and the other men defendants were taken to the prison on Robben Island, making it quite difficult for their attorneys to consult with them. They were asked to draw up some answers to specific questions. When these were finished the prison authorities held them for two days and then returned them to the defendants.

To their astonishment, they found a new page in the manuscript, some notes in the handwriting of Det.-Sgt. J.P.F. van Wyk of the Cape Town Security Police, an investigating officer in the case and one of the State's witnesses.

Mr. Gordon asked for the recall of this witness and put him under cross-examination. The detective readily admitted that the document was in his handwriting and that he had drawn it up in the middle of January. Moreover, he had not returned to Robben Island since he delivered the defendants there.

The judge asked him where he last saw the document.

"In my office at Caledon Square."

Mr. Gordon established that the documents drawn up by the accused were held by prison authorities for two days, January 13 and 14. He then asked: "Did you read these documents?"

Sergeant van Wyk coolly replied, "What documents?"

"These handwritten instructions to counsel from the accused."

"No."

Mr. Gordon, however, told the court that he wished to register "a very serious breach of privilege" which had seriously hampered the defense. "We put a series of questions to the accused. They wrote to me in answer and everything they wrote had been read."

"Who was it read by?" asked the judge.
"It is signed by the prison authorities. And when it was handed back to the accused this document was found in it."

"I don't know what purpose will be served by this," the judge said. "I am not sitting here to find out whether the prison authorities have committed a breach of privilege. All I have here is an ex parte statement from the bar."

"This 60-page document was taken away from the accused for two days," said Mr. Gordon. "I put it to Mr. van Wyk that the document was in his hands. If he did see it, it is a serious breach of privilege."

The judge turned to the detective. "Do you deny that you had that document?"

"I deny it," was the response.

The judge again questioned Sgt. van Wyk about his sheet of notes. "You say it was in your office when you last saw it?"

"Yes, on my table."

He added, according to the Cape Argus [February 5], "that on occasion documents were taken from Caledon Square to Robben Island. He was not suggesting that this did happen in this case, but it could have happened."

In a South African Court

A PHILOSOPHICAL DISCUSSION ON THE NATURE OF MAN

Gerald Gordon, Q.C., who, with R.M. Marais and H.S. Strauss, is representing the eleven non-Whites, headed by Dr. Neville Alexander, in the Cape Town "sabotage" trial, called as a witness, Dr. James McGregor, a neurologist and psychiatrist and acting head of the Department of Neurology at the University of Cape Town.

Justice van Heerden, who is hearing the case together with two assessors, Mr. E.A. Wollaston and Mr. J. Groenewald, wondered about the relevance of the testimony which the distinguished witness might offer. The February 7 Cape Argus report of what followed makes instructive reading:

* * *

Mr. Gordon said: Two of the major State witnesses have given evidence here on their detention and interrogation under the 90-day
clause. I am now going to put before your lordship expert evidence that evidence obtained this way is unreliable.

The judge: You can lead this evidence, but if I feel that it is irrelevant, I shall stop it.

Dr. McGregor said in evidence that during World War II he had studied the effect of solitary confinement on soldiers held prisoner by the Japanese.

He had investigated the question in relation to false confessions made by men in solitary confinement. His experience with men of the United States armed forces, who confessed to their captors that they had taken part in bacteriological warfare, had caused him to investigate the question of fanciful behaviour in solitary confinement.

He quoted the case of a Capt. Henry Schwabel, who confessed to running a school of bacteriological warfare; the case of Cardinal Mindszentky who falsely confessed to being a spy; and other cases of false confession in confinement.

The judge: Why did they confess? What was it the result of?

Dr. McGregor: They confessed as a result of confinement and the continued pressure by their jailers.

Dr. McGregor said that in the early 1950s McGill University had begun studies on the effect of isolation on human behaviour.

Two types of experiment had been conducted. In one subjects were isolated from all sensation, but in the other they were subjected only to perceptual deprivation.

Here subjects were shut up in a small room with nothing to read except sometimes the Bible, and out of contact with everyone except those who brought their food or interrogated them.

The judge: If the interrogation takes place during isolation it would make the effect of isolation less serious? -- It would make a difference.

The judge: If these people could shout to each other through the ventilators in their cells would that make a difference? -- I would regard that as having a means of communication.

Dr. McGregor said the first effects of isolation was that the subject became anxious, then fearful and panic-stricken. He became subject to sharp changes in mood and regressed to a more childish level of behaviour.

The subject's memory could be affected and also his powers of
logical judgment. "They are also subject to changes in bodily sensation," he said. "They can become de-personalized, feeling that they and their bodies are unreal."

Many found that time lost its meaning, and they could not tell which event came first in a sequence of events.

"They might even become hallucinated," he said. "Lights might take on strange shapes."

Dr. McGregor said similar experiments on animals had produced even more remarkable results. Dogs had been found to lose the ability to avoid harm, and would repeatedly burn their noses, while monkeys would continue to handle things which would give them electric shocks.

Other factors coupled with perceptual deprivation could increase the effects of isolation -- factors such as continued bright light, the fact that subjects were unaware of how long the isolation might last, and the lack of physical exercise.

Uncertainty over the duration of the isolation would increase the effects of it.

The judge: If somebody is isolated but told that as soon as he answers questions satisfactorily he can go? -- I don't know what the effect would be. Suggestion comes into that and there is evidence that suggestibility is increased in isolation.

But if he had already made up his mind to answer questions, and it was just a case of waiting his turn? -- It would lessen the effect of isolation.

Mr. Gordon: If he is told that he will be let out if he answers satisfactorily, what is the effect of suggestibility on the type of answer he would give?

Dr. McGregor: There seems to be a desire to please those round about. It might well be that the subject will alter his judgment.

Mr. Gordon then put to the witness a case where a subject was told that he would be released when he made a satisfactory statement under oath, to be told that each successive one was satisfactory and then asked: Could suggestion have played a part in the ultimate satisfactory statement he gave?

Dr. McGregor: It would be likely that the statement would be altered by suggestion.

Dr. McGregor said that one of the difficulties of the subjects in the experiments was to distinguish between reality and assumption. The suggestibility of a subject would be increased by suggestions from his interrogators.
The judge: But how long would this suggestibility last? -- From a few days to about six weeks.

If somebody made a statement under conditions of isolation and gave evidence two months later on that statement, would he still be subject to suggestion? -- I don't think so. He might well be aware that the statement is not factual.

Cross-examined by Mr. Nothing.[attorneys for the State are J.E.Nothing and D.B.Brunette], Dr. McGregor said he had not seen the rooms in which the witnesses in this case had been confined.

Mr. Nothing: And you are not fully acquainted with the exact circumstances of their so-called solitary confinement?

Dr. McGregor: No.

Mr. Nothing: Have you ever seen any of the witnesses who are supposed to have been in solitary confinement? -- Not as far as I know.

Dr. McGregor said that he had been talking in general terms on the effects of solitary confinement and could not give opinions on particular cases. He said the fact that detainees were released for a daily wash and exercise would mitigate the effect of solitary confinement.

The fact that they might also have visual communication with the outside world through the windows of their cells would also be a mitigating factor.

Re-examined by Mr. Gordon, Dr. McGregor said the relationship between the person in solitary confinement and his interrogator would vary widely between extreme friendliness and intense dislike. It had been found that subjects had always shown a desire to please their interrogators and to try to conform with their wishes.

THE TESTIMONY OF IAN LESLIE VAN DER HEYDEN

The character of the political opposition to Verwoerd's apartheid government in South Africa is being revealed in a series of witch-hunt trials in this unhappy land. The defendants, who have suffered solitary confinement, torture, and searing indignities, are giving the world a preliminary glimpse of South Africa's future leaders. The exemplary way they are bearing up under the ordeal of today at the hands of the "master race" shows that the oppressed people of South Africa have every reason to be proud of the generation now going to prison because of their dedication to the highest ideals of mankind.
We have attempted, insofar as the scanty materials have permitted, to provide facts about these heroic defendants in order to bring their names to the freedom fighters and union militants in other lands and thus to help in their defense. This week we report the testimony of Ian Leslie van der Heyden, who is on trial in Cape Town as one of the eleven defendants headed by Dr. Neville Alexander, an outstanding African intellectual. The article telling about Van der Heyden is taken from the Cape Argus [February 6], a journal that can scarcely be accused of being biased in favor of the defendants. The following is the full text:

* * *

The majority of the non-White people of South Africa had abandoned the idea of achieving a change in South Africa by parliamentary means, a Coloured schoolteacher, Ian Leslie van der Heyden -- one of the eleven accused at the Cape Town sabotage trial -- said today when giving evidence for the defence.

Van der Heyden was the first defence witness to be called at the trial which is being heard by Mr. Justice van Heerden and two assessors, Mr. E.A. Wollaston and Mr. J. Groenewald.

The Deputy Attorney General (Mr. J. E. Nothling) and Mr. D. B. Brunette are appearing for the State.

The various accused, who have all pleaded not guilty to the main charge of sabotage and alternative charges of furthering the aims of Communism, are represented by Mr. Gerard Gordon, Q.C., Mr. R. M. Marias and Mr. H. S. Strauss.

Van der Heyden said in evidence that he was born and educated in Cape Town and obtained a B.A. degree and a teaching certificate at the University of Cape Town.

He started teaching at the Livingstone High School in 1961 and remained there until his detention under the 90-day clause on July 18, 1963. He was released after nine days but detained again on September 10.

Describing his political interests Van der Heyden said he had been a member of the non-European Unity Movement and also the Cape Peninsula Students' Union (C.P.S.U.).

He knew Dr. Kenneth Abrahams, who was at one time president of C.P.S.U.

He was also a member of the African People's Democratic Union of Southern Africa (A.P.D.U.S.A.). He had, however, lost his enthusiasm for the organization when, at the end of 1961, Dr. Abrahams and Dr. Neville Alexander had been suspended from it.
His sister, Elizabeth van der Heyden (also accused) had introduced him to the National Liberation Front (N.L.F.) at the beginning of 1963 and he became a member of the Athlone-Lansdowne group, of which Dr. Abrahams was chairman.

The aim of the organization, he said, was to bring together all organizations within the liberation movement.

It was a study group which studied such things as the social and economic status of the non-Whites, and the feelings and thoughts of organizations among the non-Whites.

Ways of raising money was the subject most frequently discussed at meetings. 'We were normally very broke,' he said.

There was discussion on the use of violence among all non-White organizations. 'It was nothing new, everyone was talking about it,' he said.

Guerrilla warfare was merely one of many methods discussed in connection with achieving a change in South Africa. Other methods, such as strikes, boycotts and demonstrations were also discussed.

Mr. Gordon: What are the feelings of the Coloured people in regard to oppressive legislation. Do they feel that they can get a change in these laws by parliamentary methods?

Van der Heyden: I would say the majority of the non-White people have abandoned the idea of achieving a change by parliamentary methods.

Mr. Gordon: Do the people feel strikes, boycotts and demonstrations would be effective? -- Boycotts certainly, and strikes could be effective.

Is there a general feeling that violence would be effective? -- Feelings are very mixed regarding the efficacy of violence. People are still trying to make up their minds.

Van der Heyden said discussions held at N.L.F. meetings on various works by Mao Tse-Tung were purely theoretical.

 Asked why N.L.F. meetings were held secretly, Van der Heyden said: 'Secrecy is almost second nature to people in the liberation movement.'
DOUBLE-DEALING IN TRANSKEI

By Franz J. T. Lee

Until recently Transkei was the biggest Reserve of South Africa. It was also the first to experience the "benevolent" policy of apartheid which is "developing progressively toward the creation of Bantustan territories." The Reserve of the mandate territory of South West Africa is scheduled to become the next component part of Bantustan. Yet strangely enough the natives of South West Africa are bitterly opposed to this project, regardless of the threat of bloodshed.

Why is this so? The actual degree of independence of Transkei provides sufficient answer. The former reservation, and today's Bantustan, covers an area of 42,500 square kilometers. The population consists of 1,384,673 Africans, 13,600 Coloureds, and 18,000 whites, mostly traders and white-collar workers. In accordance with the watchword of apartheid, "divide and rule," the Africans have been separated into tribes and races. In Transkei these are the former nomadic Ama Xhosa people, who are now struggling for bare existence, and who are obliged to sell their labour power cheaply. These people were promised independence.

In accordance with the Constitution of Transkei proclaimed in 1963 by the all-white Parliament of the Republic of South Africa, the strangest elections which ever took place in South Africa were held. The Ama Xhosa were allowed to elect 45 of the 109 members of their Transkei "parliament." The remaining 64 were nominated by the government of South Africa. Executive power is vested in Premier Matanzima, who is at the same time Minister of Justice (as it is obvious that no one ever heard of the democratic separation of powers). There are only five ministries: Justice, Education, Interior Affairs, Agriculture and Forestry, Transport and Public Works.

The fact that 3,423,000 Africans speak the Xhosa language provides the basis for another curious regulation. About 2,000,000 live and work in all parts of South Africa -- in mines, factories or on white settlers' farms. In spite of this, these Africans, whose feet never touched Transkei soil, are now citizens of Transkei under the new law. Besides this, the legislative assembly may impose taxes upon the citizens of Transkei regardless of whether they actually live there or not. All who come in conflict with the law can be tried before the Transkei courts or before any white court in the Republic. Legislation in the Transkei is under the jurisdiction of the central government, particularly where defence, international security and foreign affairs are concerned.

The laws on racial segregation are also valid in Umtata, the capital of the Transkei. Premier Matanzima, for example, is not allowed to enter a cafe reserved for whites. At a time when other countries are forced to renounce their colonies, new ones are being
created by Verwoerd and his apartheid "apostles."

Verwoerd is creating a colony in Transkei to which, under world pressure, he is granting some powers -- but carefully controlled. Recently an African wrote: "The Bantustans will serve as mating camps for the production of cheap and docile labour as well as a suitable dumping ground from which the juice has been extracted."

One of the chief aims of the "Bantu Education" is to create a "new elite" of Africans, schooled in the doctrines of apartheid to administer the Bantustans as stooges of the fascist white government. A supreme example is Kaiser Matanzime -- "a racist opportunist."

Thus a few Africans are permitted to pass beyond Standard 2 (the fourth year in school). In 1960, 23,5% of South Africa's pupils were in Standard 3 to 6; 2.9% in Standards 7 and 8; and 0.2% in Standards 9 and 10. One pupil in 500 reaches the matriculation classes: 100 to 200 pass the examination. From there they go to the "tribal university colleges" -- the supreme indoctrination centers -- in which 304 Africans took degree courses in 1961. In South Africa, only one African in 15,000 is allowed to receive a university education as compared with one white in 1925. (Population, 1960 census: 10,807,809 Africans, 3,067,638 whites.)

The consequences of this policy are brutal:

(a) An African on the average lives only half as long as a white.

(b) Every third African treated in hospitals suffers from malnutrition, while South Africa exports foodstuffs.

(c) The illiteracy rate for Africans is 65%, while all whites receive education.

(d) Africans cannot live, work, travel where they please.

(e) A "real democratic parliament" does not exist in which they could participate. In actuality they are excluded from political life and have no influence on the racist laws.

(f) Apartheid means the political, social and economic domination of all the nonwhites by a minority of whites.

The Bantustan solution to the racial question means driving the big majority of the population into an area comprising 13.7% of the total area, the barren and rocky regions. Until a radical change occurs, these Africans will be deprived of civic rights in regions inhabited by whites where both fertile soil and natural resources are found in abundance.

The creation of the Bantustans, Colouredstans and Indianstans is a monstrous perversion doomed to failure and eventual liquidation.
"L'UNITÀ" FINDS ANTI-SEMITIC PAMPHLET DISTASTEFUL

ROME -- Giuseppe Boffa, the Moscow correspondent of L'UNITÀ, the daily newspaper of the Italian Communist party, wrote two articles for his paper [March 28-29] concerning the anti-Semitic brochure Unvarnished Judaism which was published in Kiev under the auspices of the Ukrainian Academy of Sciences. [See World Outlook April 3.] Boffa states that copies of the pamphlet cannot be found in Moscow. His opinion of it is based on what he read in the European press and a Ukrainian newspaper Radianska Kultura which carried a critical review. The correspondent of L'UNITÀ takes a clear position: much harsher words should have been used in condemning the anti-Semitic piece of propaganda.

The publication of this "Kiev libel" provides Boffa with the opportunity to give the readers of L'UNITÀ a short review of the Jewish question in the Soviet Union. In his second article, "Does Anti-Semitism Exist in the USSR?" he cites some facts. According to the last Soviet census, 2,300,000 Jews live in the USSR (a little more than one per cent of the total population). Soviet law gives them national status on equal footing with other nationalities. Freed from Czarist oppression, the Jews were able to make valuable contributions, especially in the field of scientific research.

When we run across a typical instance of anti-Semitism, like the "Kiev libel," in a society like that of the USSR whose very nature is alien to anti-Semitism, we are impelled to ask -- without thereby falling into anti-Sovietism -- what the source of such manifestations might be. The fact that the case is confined to a certain area should not lead one to ignore the phenomenon or underestimate its importance.

After describing the intensity of anti-Semitism in Czarist Russia and the measures taken by the Soviet power to root it out, the correspondent of L'UNITÀ concludes that "before the war the traces of anti-Semitism had all but disappeared." He then tries to analyze the reasons for a rebirth of anti-Semitism. The Nazi occupation of the Ukraine reintroduced the poison of racist prejudice, which could arouse dormant prejudices. The situation -- still according to Boffa -- was later worsened by Stalin's wrong policies. On the assumption that entire nationalities were guilty of collaboration, he had whole populations deported. He would have deported all the Ukrainians, had there not been so many of them.

In this context, Boffa continues, Stalin launched an anti-Semitic campaign. This was the substance of the propaganda against the so-called "cosmopolitans," a quite transparent euphemism, since the press stressed the Jewish names of victims.

Stalin was convinced that all Jews had links with the West, a grave offense in his eyes. He therefore struck at the best expressions of Hebrew culture, including the theater. This offensive culminated in the well-known "doctors' plot" on the eve of Stalin's death.
"The faults of Stalin's national policy," continues Boffa, "were vigorously denounced during and after the Twentieth Congress. Much has been done to redress its wrongs. Much has been done to fight not only the 'cult,' but its aftereffects. Still, we cannot say that these aftereffects have been fully overcome. Among these are some that especially involve the delicate field of national relations, since Stalin, particularly in the last years of his rule, fostered a certain nationalist and hence anti-Semitic spirit among the population in general but also -- and this was a weightier matter -- among groups of intellectuals, officials, and even party cadres. The consequences are still to be felt. This is the explanation for certain anti-Semitic jokes one hears or, worse, certain manifestations like the recently published brochure, or the reception given by certain mediocre literati to the poem Babi Yar by Yevtushenko."

Boffa's conclusion is that these phenomena are purely individual. Nevertheless, he declares, it would be wrong not to fight against them, or to fight without sufficient vigor, since this could "arouse serious questions -- about the USSR -- in the minds of the international proletariat and the democratic masses of the world."

To fight anti-Semitism, Boffa concludes, "nothing is more effective than Lenin's ideas."

WORK VACATION IN CUBA FOR CANADIAN STUDENTS

A select group of English- and French-speaking Canadian university students have been invited by the Cuban government to spend six weeks of their summer vacation in the revolutionary island, participating in the work of repairing the damage done by Hurricane Flora last fall.

It is expected that at least twenty-four lucky students will leave by boat from Montreal in June and July.

A committee composed of six persons prominent in the academic world and three representatives of the Fair Play for Cuba Committee will choose among the applicants.

The six are Professor W. J. McCurdy of the University of Toronto Department of Philosophy, Professor U. Leo of the University of Toronto Department of Italian and Hispanic Studies, Reverend W. Whitla of York University Department of Humanities and English, Reverend R. E. Carter, University of Toronto Instructor of Philosophy, Mrs. R. G. Riddell, University of Toronto Overseas Students Advisor and R. de Marsh, general secretary of the Students Christian Movement.

They will be advised by a Quebec committee constituted by Michel Chartrand, head of the Parti Socialiste du Quebec, and professors of
the Université de Montreal.

The project aims at helping to promote goodwill between the Canadian and Cuban peoples.

The students will work without pay on a project which they could hope to complete during their stay and which would remain as an enduring symbol of their friendship.

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PRO-CHINESE TENDENCY IN BRITAIN MAKES GAINS

By Sean Reed

The tendency in the Communist party of Great Britain [CPGB] and its periphery which is grouped around the monthly paper Vanguard and the "Committee to Defeat Revisionism" has disappointed those people who, some months ago, were ready to dig its grave.

Almost half a year after breaking with the official King Street leadership, the tendency is still holding weekly meetings in London, with attendance averaging about fifty, while their paper has appeared in a second 16-page issue. Declarations of support show no sign of diminishing even though to sign one means expulsion from the party.

Support has come from some industrial militants in the labor unions, especially the Electrical Trade Union [ETU]. Last month the CP leadership expelled Andy O'Neill, an old-time member of the Irish and, in the last ten years, the British party. He has opposed King Street on the so-called "British Road to Socialism," on the CPGB's overlordship of the two Irish parties, and on the question of the unsavory way the former CP leadership of the ETU conducted themselves with regard to the union ballot box and cash account.

In the London local government elections, the King Street leadership is faced with another embarrassment, for some of their candidates have either refused to stand or have declared for the Committee to Defeat Revisionism. It is not excluded that two Communist candidates may contest for the same seat.

But it is among the colonial workers in the CP; i.e., the Irish, African, West Indian workers, etc., that the greatest numbers can be expected to break from King Street at this time.

For instance, the bulk of Irish members of the CPGB in the London area refuse to support the party's official Irish front outfit, the Connolly Association, because of its support of the ruling Fianna Fail party in Ireland.

At first the Committee to Defeat Revisionism made many anti-
Trotskyist statements. Of late, these have been reduced. Trotskyist speakers have been allowed to take the floor at their meetings and put their case freely.

However, by refusing to face up to Stalin's true role in the international Communist movement, they have cut themselves off from the possibility of moving ahead rapidly among the ranks of the Communist intellectuals and youth. One looks in vain in their ranks for the type of intellectual who broke from the party after the Hungarian Revolution in 1956.

In particular, the attacks by members of the Committee on Yevtushenko and Mayakovskiy tend to drive young intellectuals away from them and back into the arms of King Street.

In the last analysis, their capacity to overcome this weakness will prove crucial to their chances to build an alternative leadership to the present clique running the CP.

**ALGERIAN ATHLETES BACK AN IRISH PROTEST**

Algeria did not participate in the fifty-first international cross-country race held March 21 in the Leopardstown hippodrome in the outskirts of Dublin. Instead of competing, the Algerian athletes honored a request from an Irish national sports organization to abstain.

The Irish distributed a leaflet at the sports event pointing out that "Irishmen are banned" from the race because "they will not beg crumbs from England's table." Thus the "Irish" team selected for the competition represented only six clubs out of 600 in Ireland.

Demonstrators were arrested by the Dublin police. Prominent among the victims was Seosamh Mac Criostail. He was treasurer of the Irish Electricians' Strike Committee in 1961 which led a struggle against an attempted government-imposed wage freeze. And he was president of the National Students Council which organized mass demonstrations in Dublin in support of the Algerian freedom fighters during the struggle for Algeria's independence.

Labor and sports organizations are urged to send protests over the arrests and demand the immediate release of Mac Criostail from Mountjoy Jail.

Protests should be sent to: The Department of Justice, Government Buildings, Merrion Street, Dublin 2, Ireland.

ERITREANS IN BATTLE WITH ETHIOPIAN FORCES

The Eritrean Liberation Front reports that a pitched battle took place February 29 at Tagoreamba, in western Eritrea, between guerrilla forces and Ethiopian government troops.

Some 200 Ethiopian soldiers left Haicota in pursuit of a group of Eritrean freedom fighters. The Ethiopians were caught in an ambush, but maneuvered for an attack from the rear, inflicting 21 casualties (17 dead, 4 wounded). The Ethiopians lost 84 dead and an unknown number of wounded.

The Eritreans were able to save their wounded but had to leave the dead behind. The Ethiopian government sentenced the bodies to be hanged as an object lesson to the population. Six were strung up at Agordat, six at Keren, three at Barentu and two at Haicota.

The Eritreans have appealed to the United Nations to intervene. They have a strong legal case, since it was the United Nations that placed them in a federation with Ethiopia but under conditions that were later violated by Hailé Selassie. [See World Outlook December 13, 1963.]

POLITICAL BOOK A BEST SELLER IN CHILE

SANTIAGO, Chile -- A book by a Trotskyist author about Chilean politics has become a best seller here. The first edition of Luis Vitale's Esencia y Apariencia de la Democracia Cristiana [Essence and Appearance of Christian Democracy],* which was released December 20, sold out in less than three months. The special interest in the book is due to its timeliness. Campaigning is intensive now for the presidential elections September 4 and the leading candidates are the Christian Democrat Eduardo Frei and Salvador Allende, who is backed by the Frente Revolucionario de Acción Popular, a combination of the Socialist and Communist parties and some smaller groupings.

A study of the social origin and political function of the Christian Democratic movement in general, with more detailed analysis of its role in Chilean politics, the book is a most useful exposure of Christian Democratic demagogy. It was subjected to sharp attack by bourgeois journalists and radio commentators. Allende and the Allendist Committees rallied to its defense.

The daily Ultima Hora, a leftist newspaper, said this about the book in its January 7 edition: "Chilean political literature has been strengthened by a new study. . . Its author, Luis Vitale, has

*Arancibia Hnos., Calle Coronel Alvarado 2602, Santiago, Chile.
written with verve a documented and pungent criticism of the world-wide Christian Democratic movement, but it is especially against the Christian Democratic party of Chile. . . . Luis Vitale's book is of great timeliness. The author is a controversial figure. At the moment he is under sentence by the Appeals Court under accusation of having distributed 'leaflets that seek to overthrow the system.' He is a Trotskyist and for many years has published a political periodical. . . . The prologue is by the Socialist leader, deputy, sociologist and ex-Minister Clodomiro Almeyda."

El Clarín, the daily newspaper of biggest circulation in Chile, said February 8 in its feature column "Recommended Book for Your Week End": "For Luis Vitale, socialism has no common past with Christian Democracy. . . . [It cannot be] associated with a party that defends capitalist private property. . . . Luis Vitale cannot be considered as merely antileral, as a 'priest-killer' . . . . Vitale is -- something quite different -- absorbed by the dramatic human heritage of perennial search for a better destiny. Vitale does not argue. He sinks himself in history. He comes up steeped and at times blinded by facts which -- at least for him -- have the texture of concrete or steel. Because of this, he goes to such lengths as to declare that 'the current position of the Christian Democratic parties is based on the criticism of the liberal bourgeois regime, formulated by the Catholic church in the nineteenth century; on the social recommendations of contemporary Encyclicals; on the organization of Catholic trade-union and political groups in the first decades of the twentieth century; on the modern Catholic thinking elaborated by neo-Thomism; and . . . in the relations of the Catholic church with imperialism. . . . ' In the particular case of Chile, 'the position of the Christian Democracy in relation to imperialism is not, as it might be put in a gross way, that of an unconditional servant; it reflects the interests of a bourgeoisie in a semicolonial country, which at the present imperialist stage is incapable of freeing itself from the foreign monopoly. Thus it plays only the role of a junior partner. As such, the bourgeois sector represented by the Christian Democracy seeks better prices for raw materials, a steady market and ample credits.' From this it follows, Vitale contends, that the Christian Democracy gains the appearance of a 'verbalism in favor of the workers. But the essence is its defense of the capitalist system.'"

Other reviews have appeared in magazines like Vea and on radio programs like Hernández Parker's "Tribuna Politica."

Most of the Allendist Committees have held discussions on the book. It is serving as a handbook for the Allendist cadres in their encounters with Christian Democrats and the author himself has been sought by many Allendist Committees for speaking engagements and courses on the differences between the Allendist movement and the Christian Democracy.
ECONOMIC DIFFICULTIES IN ITALY

By Livio Maitan

ROME -- For several months, the optimism which was the fashion among Italian ruling circles in discussing the economic situation has been replaced by pronounced skepticism and more recently by open pessimism. Such a shift is somewhat surprising, particularly if it is recalled that when the Moro government was formed (November 1965), the economic pundits were still using fairly bright colors, condemning the prophets of bad times. Has there really been a sharp turn in recent months, or is the pessimistic note now being exaggerated?

First of all, let us recall certain essential data, which were correctly underlined in the economic debates of last fall (for example, by the economic brain trust connected with the Socialist party):

(a) Economic growth has not stopped. What is happening, rather, is a slowing down of the rate of expansion. Even with regard to agriculture, despite the adverse weather in the first months of last year, the over-all results -- still not available -- do not seem to give evidence of a setback. It can be ruled out, in general, that symptoms of overproduction, of a recession, face us.

(b) Potentialities are such, in general, that industry's present productive plant may face even an increase in demand later on.

(c) If it is true that uneasiness is justified in the investment sector, still this is due to a showing down and not to a real reversal of trends. It cannot be said generally that financial resources are really lacking.

(d) On the international economic scene tensions have been visible within the Common Market as well as between the Common Market and other countries (the United States in the first place), but we are not on the eve of a reversal in trends which could affect the Italian economy at the same time as other countries of western Europe.

What then are the current economic difficulties?

First, there has been a rather marked rise in prices, especially in a series of services and nondurable consumers goods. Secondly, repeated declines on the stock market and growing difficulties for businesses in need of adjusting funds through issuing securities, etc., are evidence of a crisis in the money market. Things are also rather tight with regard to bank credit, the banks having placed considerable restrictions on loans for several months. Thirdly, the government budget indicates a mounting deficit. And, last but not least, the trade balance and the balance of payments have become quite unfavorable due to the fact that the rate of growth of imports has increased more than the rate of exports.
No one denies the existence of these tendencies or their scope and their interaction. But the analyses diverge immediately when it comes to the causes and still more the remedies.

The attorneys for the employers in reality make no attempt at originality. They have an explanation always at hand: wages have gone up too much, kicking off a rise in prices and inflationary tendencies and increasing the odds against Italy in international competition. The economic policy of the "center left," already inaugurated by the Fanfani government, and measures like the nationalization of the electrical industries and certain forms of taxation on stocks, did the rest.

The argument of the employers is based on one single objective fact: since 1961, wages have increased more than productivity. But from 1953 to 1961 it was just the opposite on the whole. How did it happen that in that period there was no substantial drop in prices, but, on the contrary, even an increase in prices to consumers?

The answer is very clear and very simple, although the capitalists pretend not to know it. In Italy, as in every capitalist society like it, prices are determined in the final analysis by a largely monopolist structure extending from production to distribution. When it is possible to lower prices that is precisely when the monopolists are rigid; in the opposite case, they are very flexible. In other words, when productivity increases more than wages, the capitalists press for an increase in profits, avoiding a reduction in prices that would benefit consumers. When wages rise more than productivity, the capitalists pass the costs on to the consumers, increasing prices without taking into consideration the possibility of limiting their sacrosanct profits. It's an old familiar process which is not held to be outmoded among the innovators of Italian neocapitalism (they still say that those who recall these elementary truths are demagogic and simplistic).

Still another consideration of a general kind. The inflationary tendencies at work in the Italian economy, despite their rather salient character, are still comparable to the analogous tendencies widely typical of the advanced capitalist countries in the postwar period ("creeping inflation"). This type of inflation is induced, in the final analysis, by the unrestrained expansion of government expenses and public and private debt (private debt, as is known, is broadly linked to the now universal forms of consumers credit, that is, installment buying). It is impossible to understand what is happening in Italy today without taking into account this more general tendency, which, we repeat, should not be viewed as strictly conjunctural but rather as something that will continue for an indefinite period.

In attempting to come to grips with the problem, certain economists have asked whether the Italian inflation has been provoked by costs or by demand. They have been correctly answered that at bottom
this is beside the point, since it concerns economic morphology instead of the concrete determination of the causes. In fact, it is clear that we are confronted at one and the same time with an increase in certain costs and an expansion of demand in relation to supply, particularly in certain sectors. But what is the status of affairs more concretely?

Let’s take a sector that has undergone considerable expansion in the past decade — manufacturing. The buying power of the workers in this sector has unquestionably grown: (1) because the pay has increased; (2) because the number of workers has mounted appreciably (through a shift of workers either from the unemployed or underemployed, mainly of peasant origin).

This buying power is directed primarily in two directions: improvement in diet (for example, increased consumption of meat), better housing. This happens to be exactly where the bottlenecks are located. Italian agriculture, in fact, has developed insufficiently. Animal husbandry, above all, despite the programs and the projects, has failed to follow the rise in demand (paradoxically, it has been deliberately slowed down, aside from unusual conjunctural factors, particularly in the recent period). With regard to housing, despite the impetus given to construction, working-class needs have not been met because builders have aimed at luxury projects or middle-class demands much more than homes for workers (the government housing program is quite insufficient). Under these conditions, the rise in prices (especially prices of food products and rent) was inevitable.

Is this due simply to conjunctural causes?

The conjunctural phenomena are directly linked to structural causes. The increase in the prices of consumers goods was not determined merely by an increase in wages, but by the fact that the irrational and unbalanced development of agriculture makes it impossible to adequately satisfy the increasing demand. Everything that occurs in the sector of distribution — where powerful groups of capitalists and genuine gangsters operate in determining the well-known distortions and hiatuses — acts in turn as a brake on production (the low prices paid to the producers do not assure a profit except under conditions open only to highly developed enterprises linked in some way with distribution) and as a stimulant for raising prices (multiple middlemen and a swarm of parasitic elements). With regard to housing, the present situation is due to a whole course of bad investments (bad from the viewpoint of the interests of the collectivity and of economic rationality) and the existence of taxation which weighs heavily in the net cost of apartments.

To this must be added two more factors which have contributed to the rise in prices and hence the inflationary pressure:

(1) The production of plant equipment goods has not correspon-
ded to the growing demands of technological expansion and renewal, 
thus heightening the demand in relation to supply.

(2) Among services, the rise in productivity has been limited --
it is below the growth of the mass of income going to the side of 
labor in the same sector. Even if it is a questionable thesis that 
the essential cause of the inflationary pressure lies here, it is in 
any case an element to consider.

Let us turn now to the money market. We repeat -- it is not a 
problem of difficulties caused by an absolute lack of funds. But, 
first of all, the credit policy has operated in a very debatable 
fashion in two directions. For a whole period, a line of easy credit 
was followed, even speculative operations and fictitious or excessive 
expansion were encouraged. Then engines were reversed, with restric-
tions that placed in jeopardy the normal operation and even the sol-
vency of a whole series of enterprises, primarily small and middle 
businesses. Secondly, funds have a tendency to be invested in areas 
considered to be safe and profitable, even speculative (real estate, 
flight of capital abroad), to the detriment of more necessary and 
longer range economic investments.

These phenomena became accentuated due to political reasons 
(struggle by the employers against certain measures of the Fanfani 
government), as was clearly apparent above all in the genuine sabo-
tage of the stock market. It is necessary to state, however, that 
the critical situation of the stock market also had economic and 
financial causes. The lopsided and largely fictitious boom of the 
preceding period could not last forever; it was necessary to drop 
back to more realistic dimensions; and, following the restriction of 
credit, the narrowing of the possibility of self-financing for a 
series of big enterprises, and the alarming flight of capital, ready 
cash on the market became actually deficient.

We will not dwell on the dulling effect of the government budg-
tary situation which is due to generally known reasons. It is suffi-
cient to recall here that the government as well as local administra-
tions (and indirectly the government here once again) is compelled to 
underwrite an unplanned type of economic development, stimulated by 
private capital (for example, the cost of an infrastructure flowing 
from insane urbanization, from the growing concentration in the big 
cities, the cost of highways for automobiles, etc.).

Finally the growth of imports is linked to certain deficiencies 
and imbalances which we have already stressed; it is due especially 
to the need to import food products and plant equipment. There is 
also a growth in automobile imports, for example, stimulated by the 
circulation of commodities within the Common Market and by the efforts 
of several big American and British firms (particularly of expensive, 
luxury automobiles).

Thus it is to be seen that the causes of the current difficul-

ties are not so simple as the traditional attorneys of capitalism make out. What is involved in reality is an ensemble of multiple factors, in which, we repeat, the conjunctural causes are intimately fused with structural causes. It can be admitted that the dynamic of new wage increases in the past two years has had certain consequences. But, aside from the fact that in the final analysis this dynamic is due to changes in the labor market (the very marked decrease, and, in certain sectors, disappearance of unemployment), if one wishes to understand what has happened and what is occurring, it is necessary to take into consideration such factors as the monopolistic structure of production, the organic deficiencies of agriculture, the distortions of the money market, the existence of interest requirements, that weigh heavily in crucial sectors, the backward character of the commercial and services sector, particularly the distribution network.

In other words, the bottlenecks and current difficulties are consequences of the disorder of the capitalist economy, of a disorder which is not -- at least at this stage -- the classic disorder of crises of overproduction with all their absurd by-products, but which is nonetheless a disorder that hinders and even makes impossible a balanced development at a high rate of expansion. The lesson to be drawn, very concretely and directly, is that far from being a costly luxury which cannot be permitted and which represents a vestige of obsolete concepts, as the adversaries of the workers movement and the "modern" Social Democrats claim, a new anticapitalist structure is an objective necessity even for the so-called advanced economies; their fundamental problems were not at all resolved by the miraculous boom of the fifties.

The measures taken by the Leone regime last September-October and by the Moro regime during recent weeks are, of course, not within that framework and the Moro regime holds that not even timid programming can actually be undertaken before recovery from the conjunctural situation. As the international press has reported, these measures are, briefly, as follows:

(a) Restrictions on credit; (b) pressure to reduce consumption of certain products (new tax on automobiles, increase in the price of gasoline, limitations on installment buying); (c) encouragement of the money market (practical withdrawal of a tax on stocks introduced by the Fanfani regime and hotly contested by the stock-market operators and the capitalists in general, and allotment of revenues from supplementary taxes to state or state-controlled industries in such a way that they do not compete to the detriment of private enterprises on the money market); (d) attempts to halt the rise in prices by blocking rent boosts and by buying food products abroad.

In view of its present composition (participation of the Socialist party), and in general for obvious political reasons, the regime must achieve either silently, or under camouflage, in one way or another, a key government objective which the employers' economic
organizations are more openly demanding; namely, a wage freeze. It is precisely in this field that the main battle will be waged to decide who is to pay the costs for the readjustment operation. The outcome, of course, has not been determined in advance; it hinges actually on the political and social relationship of forces in the given context.

As for the measures already taken or projected, they have provoked rather sharp debates and often correct criticisms. It is clear, for example, that the decision to import food products, which might with difficulty result in holding prices, will not help to solve problems created by the deficit in the trade balance. It is also clear that the retreat in the question of taxing stocks will incite the stock-market operators to demand more and will contribute nothing in itself to eliminate the distortions in the use of resources. But it is above all the decisions on taxing automobiles and limiting installment buying which are the most sharply attacked. The Fiat company has even taken the offensive, declaring that a serious reduction in production will become necessary if the measures are put through as projected. The tax on automobiles was almost immediately lowered and the question of installment buying has not yet been settled as of the moment. It is not a question, certainly, of denying that the development of the automobile industry was absolutely excessive and unbalanced and that it is necessary in principle to take resources from this sector and shift them to other, more important, areas. But a line followed for more than a decade cannot be changed by the expedient of partial, very limited measures, without any preparation for the necessary reconversion. In reality, the consequence of the measures taken could be a limitation of the production of automobiles with a chain reaction on employment in various industrial sectors. The same effect could be produced more generally in other sectors of durable consumers goods if installment buying is actually limited.

The wide fears, the more or less veiled threats of the employers, announcing the possibility of a return of unemployment, appeared more concrete after three big enterprises resorted to measures that have not been heard of for some years. Fiat announced a reduction in hours of work (with a reduction in wages); Magnadyne, a lay-off of 2,000 workers; Olivetti (typewriters), lay-offs and a substantial reduction in hours of work for 10,000 of its 17,000 workers. For the moment it is difficult to determine whether these are limited cases, means of pressure on the government, or symptoms of a new situation which could have a tendency to become general. The fact is that alarm exists and that all this cannot help to again create the climate of confidence in what has been called the Italian miracle.

However, at the moment of greatest uncertainty, the Italian government was able to add to its assets a sizeable American loan (corresponding more or less to the deficit in the balance of payments for 1963). Without doubt, this is an important respite. The problem of the deficit in the trade balance can be envisaged in longer terms;
in addition aid by the Commodity Credit Corporation will facilitate imports of food products. The bourgeois commentators themselves, however, stress that all that is involved is a respite. The question is whether the available time will be utilized in a profitable way.

For all the reasons we have indicated in this article, this is greatly to be doubted.

"DOCTORS, ARE SICK PEOPLE YOUR ENEMIES?"

Belgium's workers are seething with anger. And the anger is with a sector of society for whom they normally have the greatest respect and appreciation -- the doctors.

After battling for years for government health insurance, the workers won the concession of provisions for the aged and for widows. When it became law on April 1, eighty-five percent of Belgium's 12,000 doctors abandoned their posts. Hospitals were soon filled to overflowing. The doctors smiled. Perhaps this would bring capitulation to their demands. Some of them took "vacations."

The Medical Association says that government health insurance opens the door to socialized medicine. The issue, however, is much simpler. They don't want the government to set fees for those coming under government insurance. They want more days to engage in lucrative private practice. They are against keeping a record of medical diagnoses and treatments to which other doctors could refer if the patient wishes them to. And they want higher fees.

In brief, the vast majority of Belgium's medical profession agree with the capitalists that profits are more sacred than human lives. That they believe in the unity of theory and practice is shown by the deaths that occurred within a few days because patients could get no help.

Dr. Thoné, head of the Medical Association, was asked if the doctors would refuse to help someone in danger of dying. He indignantly replied, "What do you take us for, murderers?"

That, sadly enough, is the exact impression they are giving. And all over Belgium, the unions are mobilizing demonstrations under the slogan: "Doctors, are sick people your enemies?"