

WORLD MARXIST REVIEW

In this issue:

For European Peace and Security

—I. Noerlund

Man in the "Industrial Society"

—I. Filipec, I. Kon

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Hands off Vietnam!

World Marxist Review emphatically denounces the aggressive action in Vietnam undertaken by the U.S. imperialists in violation of the 1954 Geneva Agreements on Indochina. Now bogged down in the dirty war in South Vietnam, the Pentagon is extending military operations in the area and continuing the provocations against the Democratic Republic of Vietnam—the outpost of socialism in Southeast Asia.

Together with progressives all over the world our journal brands the U.S. imperialists now subjecting the territory of North Vietnam to brutal bombings, and expresses its confidence that the forces of socialism and progress, of democracy and peace will foil the sinister designs of the imperialists and bar the way to aggression and war.

We extend warm greetings to the heroic Vietnamese people and their valiant People's Army, to the patriots of South Vietnam waging a just struggle against U.S. aggression, for independence, democracy, peace and neutrality!.

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COUNTRIES, UNITE!

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For European peace and security

IB NOERLUND

EUROPE IN RECENT YEARS has not had an international crisis directly threatening war—an achievement to be credited primarily to the peace-loving forces. However, this fact should not be overestimated, for the vital problems of European security are still unresolved. The detente has not been accompanied by concrete measures, by political changes needed to lend it a durable character and carry it forward. Indeed, it may be upset by the forces working against it.

THE “BALANCE OF TERROR” IS A DOUBTFUL COMFORT

There is a sustained effort to divert attention from the problem by means of comforting illusions, in particular by suggesting that the “balance of terror” promotes peace.

The talk about the “balance of terror” is unquestionably one way of acknowledging the strength of the socialist world. As such it amounts to a step back for imperialist propaganda, which formerly contended that the U.S. atom-bomb monopoly safeguarded world peace. The concept of a *Pax Americana* is part of the NATO strategy, but the notion that peace can be maintained by creating an atmosphere of “terror” is inhuman and dangerous.

The “balance of terror” is a vicious circle. After the December meeting of the NATO Council U.S. Secretary of Defense McNamara boasted that the American nuclear stockpile in Europe had increased by 60 per cent over the past year and that it was still growing.

That was hardly the kind of statement to put the mind at ease. The greater the nuclear stockpile, the deadlier the danger that a spark may touch off disaster. Hence peace must be safeguarded not by piling up bombs and rockets but by seeing to it that there are no sparks flying about. Yet it is from this that the advocates of the “balance of terror” want to distract attention.

In the case of Europe, the “balance of terror” amounts to perpetuating the military occupation and the foreign bases, maintaining the basic features of the cold war policy and steadily piling up armaments. And this signifies preserving conditions in which political gamblers could spark off war.

A NUCLEAR WEST GERMANY WOULD BE A THREAT TO EUROPE

Given the “balance of terror,” the danger of this kind of development is particularly great now that attempts are being made to supply West Germany with nuclear weapons. The plans for an “Atlantic” nuclear force are, in effect, so many attempts to resolve the deep-rooted antagonisms between the imperialist powers to the detriment of peace, through a “compromise” that puts nuclear arms in the hands of the West German militarists.

Couve de Murville, French Foreign Minister, abetting the Bonn militarists, gave an apt description of those plans at the NATO Council meeting.

“The aims of the multilateral nuclear force are contradictory,” he said. “On the one

hand, it is said there should be no proliferation of nuclear weapons and, on the other, it is suggested that the non-nuclear countries be granted certain ill-defined rights. Should non-proliferation become a reality, those rights would become illusory. Should those rights, however, become real, non-proliferation would be out of the question."

To bring the West German militarists within reach of nuclear weapons would mean something more than an additive to the "balance of terror." By aggravating the war danger it would create a new situation in Europe. The aggressive forces which have twice played a fatal role in Europe would gain access to what they need to rekindle the flames of war and draw their less resolute NATO allies into attempts to create new areas of tension or engage in reckless political actions.

The nations of Europe should awaken to the danger of the preparations now under way for arming West Germany. Those whom it is proposed to supply with nuclear arms have chosen the present moment—of all moments—to declare the Hitler war crimes "outdated." They have advanced the insane plan for an atomic-mine belt in Europe. They want to station their armed forces and those of NATO in keeping with what they call the "defensive strategy of anticipation." Clearly, euphemisms in the best Hitler style are still current.

The Bonn government alone in Europe is officially insisting on revising frontiers and shifting them at least as far east as the 1937 frontier of the Hitler Reich. It would therefore be correct to say that those who want to give nuclear arms to Bonn are helping the forces planning a revanchist war in Europe, and that such a step would drastically change the situation.

THE SOLUTION — NEW, PEACEFUL RELATIONS IN EUROPE

The task of the peace forces is to foil this design. Their efforts can and should go beyond repelling the potential aggressor; they can and should have a more ambitious aim: the peace forces in Europe should take the *initiative* in bringing about a radical change in the relations between the European countries.

For a long time the political maneuvers of the imperialists have played the key role in Western Europe. It would be naive to expect them to initiate a decisive revision of policy. This is a task for the people themselves to fulfil. It is they who can thwart plans of aggression and *bring about new relations in*

Europe in the spirit of the new world alignment of forces of war and peace.

The Communists are aware of their responsibility in this task, which is becoming more and more feasible. They realize that it would be wrong in an atmosphere of international detente to concentrate on internal problems to the extent of pushing into the background the *fight for lasting peace in Europe and for new foreign policy trends as a necessary component of the democratic fight against the monopolies.* They know that were they to do so they would run the risk of being dragged into the intrigues of the aggressive forces.

These tasks encourage the initiative of Communist parties in working out new foreign policies for their countries including concrete steps prompted by the situation and meeting the requirements of the day. There is, however, the need—more imperative than it may have seemed at one time—for *joint action by Europe's peace forces* if these tasks are to be carried out. Without this action, any attempt to create new relations in Europe would be fruitless.

TIMELY WARNING

The European socialist countries took a definite stand on the issue when they met in Warsaw last January. They made it clear to the NATO countries that the realization of any plan aimed at supplying the Bonn militarists with nuclear weapons would compel the Warsaw Treaty countries to adopt appropriate defense measures. It is to be hoped that the warning will not be lost on the NATO camp. Spokesmen for the governments of NATO countries, including Britain, Denmark and Norway, have voiced doubts as to the wisdom of setting up a NATO nuclear force, saying that this would bring a "well-founded reaction from the East." The West now has an idea of the socialist countries' reaction to the plans for the MLF, for the "Atlantic" nuclear force, and other plans of this nature.

The Warsaw meeting did not confine itself to giving fair warning. It showed how to change the situation, how to provide a more solid basis for a detente and establish new relations between European countries. It indicated a number of specific measures that could lead to an effective detente and break the vicious circle of the "balance of terror" in Europe. The Warsaw Treaty countries are as willing as ever to sign a non-aggression pact with the NATO countries. This pact would go a long way toward easing European and world tensions. The meeting supported the Polish proposal for a European collective se-

curity conference. It favored the proposals for improving the international climate put forward by the Soviet Union and other Warsaw Treaty countries. It backed the German Democratic Republic's proposal for the two German states to renounce nuclear weapons, and took a stand in favor of other efforts toward a peaceful German settlement in the interest of European peace.

The Warsaw Treaty countries also supported the Chinese proposal for a world conference of heads of state on the prohibition and destruction of all nuclear arms, with a ban on the use of these arms as a first step. They approved the suggestion for a world disarmament conference put forward by the non-aligned countries in Cairo.

Comrade Ulbricht was right when he summed up the results of the meeting as follows: "The ice of the cold war which has blocked cooperation in Europe for so long can be melted. Our policy makes for a thaw in Europe."

The socialist countries' contribution to the establishment of new international relations in Europe is considerable. Two-thirds of the area and half the population of Europe belong to the socialist commonwealth. Nevertheless, a system of European security cannot be set up by the Socialist community alone. The activity of the peace forces in Western Europe is decisive in attaining this aim.

NEW OPPORTUNITIES

In promoting this activity, it is essential to realize that there is not only the need but that there are real opportunities for establishing new relations in Europe, although the opportunities, naturally, vary from country to country and from one stage of the struggle to another.

The relations prevailing in Europe today have been built on the principles of the cold war. The NATO bloc was brought into being as an instrument of this war. NATO policy led to the conclusion of the Warsaw Treaty, which contains the provision that the treaty will become null and void upon the signing of a European treaty of collective security. The new relations which the peoples of Europe need should be based on peaceful coexistence, not on cold war.

Therefore, it is above all a question of an alternative to the policy of blocs imposed on Europe by NATO. This task is made easier by the fact that the spurious arguments trotted out in the past to justify the formation of NATO are becoming increasingly absurd, as is admitted more and more openly in the NATO camp itself.

When NATO was in the making its founders advanced three arguments. Western Europe, they said, was exposed to the "threat of aggression" from the East, and NATO solidarity would be the best guarantee against that "threat"; the United States, it was said, had a virtual atomic monopoly, and the socialist countries alone would suffer in the event of a big war.

None of these arguments has stood the test. They are recalled, incidentally, in *The End of Alliance—America and the Future of Europe*, a book by Ronald Steel, ex-State Department official. "The Atlantic alliance," he writes "which has been the keystone of American foreign policy during three administrations, has begun to founder. . . . The old order has broken up. We have reached the end of a postwar world. . . ."

Steel lists the objective reasons for this:

1. The alleged "threat from the East" has proved groundless. "The fears of the past have largely vanished but NATO's frozen policies remain. The alliance has become dedicated to a strategy and is based upon a reading of Soviet intentions which scarcely anyone in Europe now considers relevant."

2. No one takes seriously the claim of "Atlantic solidarity," because the differences inside NATO are constantly growing, smashing to smithereens all semblance of "Atlantic unity."

3. The nuclear parity between America and the Soviet Union resulting from America's loss of atomic monopoly has, he writes, "undermined not only the formulas on which Europe's defense had been built, but all the old theories about military superiority as well."

These are realistic conclusions, and they show that realism is the one element that NATO policy lacks.

Newsweek, usually well informed on such matters, reported not long ago: "It is an open secret that most European chancelleries are working up position papers on what would happen if NATO broke up or if the Common Market split."

The "alternatives" to the policy of blocs may well include various forms of neutrality. This should at least be true of Denmark and similar small countries—countries which cannot aspire to the role of great powers.

When the cold war was at peak and NATO was created, its founders shouted from the housetops that the days of neutrality were gone in Europe and that joining NATO was the only salvation. This was another of the contentions which have not passed muster. Throughout the post-war years countries like Sweden and Finland have been following a

policy of neutrality, nor have they had any reason to abandon it. In 1955 Austria was guaranteed neutral status under an international agreement, a status, moreover, guaranteed by the Great Powers. This shows that some people were a bit too hasty in burying neutrality.

Developments are making neutrality increasingly attractive, particularly to the small countries. This is admitted by the more far-sighted NATO politicians. The American Professor Kissinger, for example, discussed the NATO crisis in the July 1964 issue of *Foreign Affairs*. Referring to the urge for neutrality among America's allies, he commented: "In these conditions, the distinction between allies and neutrals is likely to diminish. A country gains little from being allied and risks little by being neutral. . . . We live in a curious world where neutrals enjoy most of the protection of allies and allies aspire to have the same freedom of action as do neutrals."

Since Kissinger's admission is taken as the starting point for political action, it could lead, specifically, to the following conclusions: if "a country gains little from being allied and risks little by being neutral," and if "allies aspire to have the same freedom of action as do neutrals," then *neutrality could be recognized as the justified and realistic aim of the policy of peace and security in Europe*.

It would be interesting to know whether Kissinger's views stem from his own conclusions—although they are at variance with his "Atlantic credo"—or whether there is something more to them. Be that as it may, the very idea of renouncing the policy of blocs and of recognizing neutral areas in Europe and guarantees of neutrality reflects elements of the new relations in Europe which so many people sincerely desire. This desire has an objective basis, among other things, in the fact that admissions of the kind quoted above are becoming more and more widespread inside NATO. They are signs of the real possibilities for effecting a turn in European foreign policy.

THE PEACE-LOVING FORCES ARE THE DECISIVE FACTOR

It would be foolish to imagine that this turn could take place automatically, or that peaceful relations in Europe could result from the maneuvering of the imperialist leaders. Were these gentlemen to be allowed to shape the course of events there would be reason to fear a deal between them that would bode

little good for peace. *A national policy cannot be reversed until the people, above all the working class of Europe, demand it.*

This brings us to one of the natural and pressing tasks facing the forces of peace and progress in Europe. These forces have devoted much attention to the problem of new peaceful relations in Europe. However, taken as a whole, and apart from the fact that the situation varies locally, the concrete actions aimed at establishing new relations in Europe fall short of the possibilities and the requirements of the day.

It goes without saying that a new system of relations in Europe cannot be created at one stroke. A series of steps must be taken to promote peace and lessen tensions.

The socialist countries have advanced many valuable and well-argued proposals to that end, such as the Polish proposal to halt the nuclearization of Europe, the GDR's seven-point proposal for a German detente, and a number of Soviet proposals, recently reaffirmed by Foreign Minister Gromyko in the UN Geneva Assembly.

The proposals for nuclear-free zones, the reduction or withdrawal of foreign troops, stationed, in particular, in Germany, agreements envisaging mutual control to prevent surprise attack, and so on, are invaluable in the effort to establish new relations, and cannot be brushed aside. Still, many people in Western Europe know nothing about this alternative, or refuse to view these proposals as offering a new alternative.

This poses the question of the need for a *common concept of European security as a common alternative to the policy of blocs, an alternative capable of uniting the popular forces championing peace in Europe*. This does not contradict the more specific elaboration of foreign-policy alternatives in individual countries, particularly in those that have yielded to NATO influence or taken orders from this bloc. On the contrary, it provides for the elaboration of such alternatives.

The world will soon celebrate the twentieth anniversary of the end of the war in Europe. People will be thinking of the solemn pledges made after the war that there would be no more wars. True, opinions offered as to the cause of the European catastrophe, differed about what had to be prevented.

Nor should the people forget that the war which ended twenty years ago could have been averted. Had the proposals for a system of collective security been translated into reality, the catastrophe would never have taken place.

And now that the ghosts of the past are seizing on the twentieth anniversary of the ending of the war to raise their heads and threaten the world with the use of nuclear weapons, the people of Europe should muster their forces and bar the way to war. And they should do this by using the means that

were not used in the past, that is, they must prevent the final division of Europe, muster their forces in order to ensure its security, and unite the nations of the continent on the basis of respect for the independence and sovereignty of each country, on the basis of upholding the cause of peace.

Syria's new road

KHALED BAGDASH

I

THE PUBLICATION EARLY this year of government decrees on the complete or partial nationalization of more than a hundred capitalist enterprises caused the class struggle in Syria to flare up with renewed force. This followed an announcement a few days earlier declaring all the oil and mineral resources to be the property of the state, and prohibiting the granting of any concessions to foreign companies. This was bad news for the international oil monopolies, especially the West German *Concordia* company, which has been seeking a concession for the monopoly exploitation of Syrian oil. In February the main companies importing medical supplies and food were also nationalized.

Fighting broke out on the streets of Damascus in the course of which a number of people were killed and injured. But from the very first the class struggle bore a marked national, anti-imperialist character, with all the patriotic and the progressive people arraigned on the one side, and a clearly-defined alliance of reaction and imperialism, on the other.

Most of the leaders of the Moslem Brotherhood and other reactionary members of the clergy, the traditional parties of the big bourgeoisie and landowners, actively supported by

imperialist circles in the United States, Britain and West Germany, declared a "holy war" on the progressive socio-economic reforms.

The Communists and other supporters of socialism, all progressives, irrespective of political affiliations, marched side by side in demonstrations in defense of the people's gains.

This of course, does not mean that all those who happened to be on the side of reaction and imperialism in those days are necessarily reactionaries or agents of imperialism. By professing "concern" for religion and even "democracy," the enemies of progress managed to win over certain groups of the middle strata and the small shopkeepers who declared a strike and closed their shops in Damascus. However, the fact that these disturbances were quickly overcome was symptomatic: it showed that religion is losing ground in Syria and that national aspirations and the desire for social progress are much stronger. The leaders of the Moslem Brotherhood and other reactionaries are finding it increasingly difficult to persuade the masses to submit to capitalist exploitation and humbly endure the burden of class oppression which the feudal lords and big capitalists would like to impose on them for all time.

True, it is still too early to speak of the

final defeat of the reaction in our country. Syria is one of those Arab countries in which movements, peaceful or non-peaceful, take a long time to strike root, developing slowly and almost imperceptibly before finally attaining their full scope. Just as the anti-imperialist struggle for winning and consolidating political independence was not a simple outburst or a palace revolution, but took the form of fierce battles affecting the nation as a whole, so today, the class struggle for economic independence and social progress will not be simple and smooth, the more so since the imperialists are greatly disturbed by the developments in Syria.

They realize that the economic and social reforms can acquire a more sweeping, far-reaching and popular character, and that the situation could develop in the direction of a revolutionary democracy in which these reforms would be implemented by the masses themselves. And this is exactly what they fear most.

However, the imperialist and reactionary forces which are bent on thwarting these measures are in a difficult position. By their violent attacks against the national and progressive development they may defeat their own purpose, for such an attitude is likely to spur on the people, to accelerate and deepen the revolutionary process leading to greater activity by the masses and increasing their influence on further developments.

Nationalization in Syria has a history of its own. Syria was the first Arab country to win political independence and to drive out the French and British troops from its territory. It was the first Arab country to nationalize enterprises belonging to foreign-monopoly capital. After the withdrawal of the colonialist forces, nationalization gradually spread to more and more foreign enterprises, and by the end of 1957 all branches of the economy where foreign capital had dominated (tobacco companies, the railways, power stations, banks of emission, etc.) had passed into the hands of the state. Subsequently, all foreign and local banks and insurance companies were nationalized. At present, with the exception of the oil pipeline from Iraq and Saudi Arabia which runs through Syrian territory, foreign capital holds no appreciable positions in Syria. However, this does not mean that the anti-imperialist struggle has already been removed from the order of the day.

Nationalization of foreign capital was effected under the leadership of the national bourgeoisie and was an expression of the people's desire for complete independence, for an end to foreign domination in the economy.

At the same time it was an expression of the desire of local big business to take possession of home production and the home market, to be free to exploit the country's wealth themselves, either directly or through the medium of the state. But it was only under the pressure of public opinion that the bourgeoisie agreed to the nationalization, and they did their best to prevent nationalization measures from infringing on "the sacred right of capitalist ownership."

In 1954-57 bourgeois spokesmen in parliament opposed all proposals for confiscation of foreign capital without compensation, a demand advanced on the grounds that the owners of foreign enterprises, having for many years reaped fabulous profits far exceeding their original investments, had no moral right to demand compensation. But the bourgeois deputies insisted on compensation being paid. They feared that nationalization might eventually turn against them, as indeed was the case subsequently.

It should be said that the behavior of the bourgeoisie lent added urgency to the question of nationalizing big business, a measure dictated not only by the need to rid the people of exploitation and plunder, but also by the interests of Syria's economic development, its defense against neo-colonialist penetration and, consequently, by the interests of consolidating political independence. But this does not mean that the national bourgeoisie have already aligned themselves completely with neo-colonialism. The contradictions between the national bourgeoisie and imperialism are of an objective nature. The sharpness of these contradictions may increase or diminish depending on internal and external conditions. But they exist nevertheless.

II

With the spread of socialist ideas among the people of the Asian and African countries (including the Arab states) under the impact of the example of the Soviet Union and other countries of the socialist community, the big bourgeoisie, conscious of their impotence in the face of the rising tide of popular feeling and having no faith in the future, adopted a position fraught with grave consequences for the economy. In the first place, they sought to conciliate neo-colonialism and to facilitate its economic penetration, hoping in this way to avert the rise of the popular struggle. Secondly, they refrained from making new investments in existing enterprises and financing new ones, especially if these enterprises did not yield large and immediate returns.

Thirdly, they smuggled their profits and capital out of the country and limited themselves to simple reproduction by means of credits and allocations granted by the nationalized banks.

They failed to realize the first part of their plans not only because the people resisted any attempt to give the imperialists access to the country, but also because the imperialists themselves, uncertain as to the direction Syrian developments would take, were reluctant to risk investing their capital there. Syrian big business was somewhat more successful with the second and third parts of its plan. Even according to official sources, the amount of capital smuggled out of the country ran to 800 million Syrian pounds (or about \$200 million), an enormous sum for a small country like Syria. As a result, industry stagnated, trade declined and unemployment soared. Tens of thousands were forced to leave the country and seek a livelihood in the Lebanon, Kuwait and other countries. The balance of payments, trade and budget deficit increased.

To rescue the economy from complete decline there was but one thing to do: the guidance of industry had to be wrested from the big bourgeoisie through nationalization. The big textile mills were the first to be taken over by the state. That was more than a year ago. But this measure alone proved inadequate: the private sector continued to predominate in industry. The difficulties had not been removed. If anything, they had grown: the big capitalists in other branches of industry, apprehensive of sharing the fate of the textile factory owners, continued to smuggle their capital out of the country and borrowed from the state banks.

Thus, objective development itself led to the nationalization measures carried out in January this year. The state sector now predominates in industry, accounting for roughly 80 per cent of the total industrial output, and rapidly growing. Of the 114 enterprises affected by the latest measures, 21 have been fully nationalized, while 90 per cent of the stock of 28 enterprises, and 75 per cent of the stock of the remaining enterprises has been taken over by the state. According to official data for 106 nationalized enterprises, their combined capital amounts to 243.3 million Syrian pounds, they employ some 12,000 workers and receive credits totalling 82 million Syrian pounds from the state banks. The total capital of 39 of the biggest nationalized companies amounts to 151 million pounds.

The fully nationalized enterprises include five cement factories (with a total capital of

50.7 million pounds), two sugar refineries (total capital 24.5 million pounds), two vegetable oil factories (total capital 8 million pounds), a wool factory (4 million pounds), a glass and porcelain factory in Damascus (8 million pounds), a brewery in Aleppo (3 million pounds) and a match factory in Damascus (2.4 million pounds).

The nationalization decree provides for the conversion of the stocks of the nationalized companies at nominal value into negotiable state bonds payable in 15 years at three per cent interest. Another decree provides for cash payment by the state of the nominal value of their shares to small shareholders who prior to nationalization lived on income from these shares.

On the other hand, it has been officially announced that a number of smaller enterprises were nationalized by mistake (in order to obtain bigger credits and subsidies from the banks they had submitted inflated figures of their capital and production), and will be returned to their owners. This is already being done. The government decree also envisages self-management in the nationalized enterprises.

III

From the very outset the nationalization measures, which open broad prospects for the country, have had the backing of the working class, the peasantry, the revolutionary students, the progressive intelligentsia, the soldiers and patriotic officers.

The Central Committee of the Communist Party issued a statement, widely circulated throughout the country, calling upon the workers, peasants and all progressives to give their wholehearted support to these measures and to defend them from imperialist or reactionary plots. The statement enumerates the principal steps to be taken to ensure the success of these reforms: sound management of the nationalized enterprises; utilization of reserves to expand the state sector; freedom for the workers to organize and express their opinions irrespective of their political affiliations; election of trade union bodies and self-management committees on a democratic basis; studying the conditions of artisans and small producers with a view to meeting their requirements and helping them to pursue their productive occupations; completion of the agrarian reform with the participation of the peasants.

The statement stresses that to defeat the big capitalists and reactionaries and put an end once and for all to the succession of im-

perialist conspiracies, the masses and all the forces standing for progress and socialism, regardless of their political views, must be granted democratic liberties — freedom of speech, press and assembly and freedom for political parties. The statement urges the cementing of friendship with the socialist camp and its vanguard, the Soviet Union, and with all the forces of progress in the Arab world. The Syrian Communists appeal to all progressive forces who stand for socialism, both those in government and outside of it, to work together in a broad democratic national front, which today is more essential than ever before if the schemes of the reaction and imperialism are to be foiled and a happy future for the people ensured.

Referring to the nationalization decrees, the C.C. of our Party declares that these measures have extended the base for advance along the non-capitalist way of development. However, it would be wrong to assume that the announcement of decrees on nationalization, and even the implementation of such decrees, can in themselves solve the economic and social problems and lead the country easily and smoothly onto the road to socialism, although they do create the prerequisites for such progress. To be precise, taking the non-capitalist path does not yet mean automatically moving toward socialism.

Long before the above measures were carried out, our Party correctly appraised the situation when it said that the political struggle was a reflection of the struggle between the capitalist and non-capitalist roads. We were not deceived by the propaganda which sought to induce Communists and all supporters of socialism in Syria to close their eyes to the fact that the sharp class struggle in the country could not but be reflected within the ruling circles as well. The latter were faced with the alternative of either finally adopting the capitalist way, i.e., going over to the camp of the big capitalists and landowners which would inevitably have led to their downfall, or of supporting the non-capitalist way and striking a blow at the big bourgeoisie.

Objective development, as expressed in the pressure of public opinion, both civil and military, led to the removal from power of the Right-wing Baath leaders and the weakening of capitalism. The job now is to create a political situation which would make possible harmony between the form of government, on the one hand, and the masses and progressive patriotic forces, on the other, in order that Syria might move forward rapidly along the non-capitalist path.

It is necessary to combine the efforts of all Marxist-Leninists and all progressives to achieve complete clarity in defining the concept of non-capitalist development, a concept now accepted not only by the Communists.

The question of the need for a broader theoretical and practical substantiation of the possibility of non-capitalist development was raised as far back as 1928 when the Sixth Congress of the Comintern discussed the character and specific features of the revolutionary movement in the colonial and semi-colonial countries. Elaboration of this problem was based on Lenin's report to the Second Congress of the Comintern in which he advanced the idea that "with the help of the proletariat of the advanced countries the backward countries may pass over to the Soviet system" (i.e., to socialism—K.B.) and through definite stages of development, to communism, bypassing the capitalist stage of development.* Lenin did not use the term "non-capitalist path," although it is mentioned in documents of the Sixth Congress. But no attempt was made in the thesis of the Sixth Congress either to substantiate or develop this extremely important theoretical proposition.

It was only many years later, in 1960, at the meeting of the representatives of the Communist and Workers' parties that this question again came to the fore, this time in a broader and, in a sense, new context.

Today this concept has acquired an even more sweeping connotation. It signifies not only that a country may bypass the capitalist stage, but that at some stage it can interrupt capitalist development where that process has already begun.

Some African countries where essentially pre-capitalist and sometimes even tribal relationships prevail and where there is no local bourgeoisie or proletariat, may, after liberation, develop toward socialism without passing through the capitalist stage. As for those countries where capitalist development in agriculture and industry has already started and where a bourgeoisie and a working class have emerged, for them the task consists, understandably, not in bypassing the capitalist stage, but in arresting its development, shedding it while it is still in its early stages and forging ahead along the non-capitalist road.

From the class standpoint non-capitalist development is the road leading to the formation, development and steady growth of a working class, but not to the growth and consolidation of the capitalist class.

*Lenin. Report to the Committee on the National and Colonial Question. (II Congress of the Comintern.)

It would, however, be wrong to deduce from this that nationalization alone, however far-reaching, wholly eliminates the danger of capitalism for the newly-free countries.

IV

Let us see how the economic situation in Syria is shaping after the latest nationalization measures, assuming that they will be crowned with complete success, which is something every Communist, every progressive sincerely wishes and is earnestly striving for.

Estimates show that Syria's total industrial production provides about 14 per cent of the national income (in Egypt the figure is 22 per cent). With the nationalization of industry, the predominance of the non-capitalist trend and the consequent growth of the working class (but not of the bourgeois class) there is the possibility that unless the necessary steps are taken, the processes of socialist development and of democratization may be retarded; a conservation of the forms of state capitalism may take place, and the people may be debarred from any participation in guiding the national economy. And this in turn may lead to the emergence and consolidation of a bureaucratic bourgeoisie which, making use of the state sector, could under certain conditions enjoy the privileges of a bourgeois class without inheriting its property.

If the people are vigilant and active enough to avoid this, it is quite possible that the general picture of industrial development will be the following: the dominant, state sector developing along non-capitalist lines and the private capitalist sector embracing the small manufacturers and producers. This latter sector is bound to remain for a long time to come.

As regards agriculture, which provides about 40 per cent of the national income, small producer relations still predominate. Despite the fact that the land covered by the agrarian reform cannot, according to law, be bought or sold for some time, the land itself, and not only what it yields, has not ceased to be a commodity. A class stratification of the peasantry is taking place. A rural bourgeoisie is coming into being. The position of the middle peasants is much the same as it was under capitalism—a small minority of them grow rich, while the majority are ruined and fall into the category of poor peasants and agricultural laborers. The masses of landless or land-hungry peasants are sharecroppers and laborers working for semi-feudal landowners, who continue to exist, although

their grip on the economy has been weakened by the agrarian reform law. Thus, the Syrian countryside, viewed from the class standpoint, consists of semi-feudal landlords, the rural bourgeoisie, the middle peasantry, the small peasantry, the poor peasants with little or no land, and agricultural laborers.

The agrarian reform law, after certain amendments introduced under public pressure, is the most radical of its kind in the Arab East. Maximum land holdings range from 15-50 hectares of irrigated land depending on the nature of the soil. The maximum for non-irrigated land is 100 hectares, although in some areas bordering on the desert and other arid regions it can be even higher.

But even assuming that the agrarian reform will be fully implemented, this picture of agriculture will not change appreciably as regards production relations and class stratification, i.e., from the standpoint of the general trend of agricultural development.

As regards domestic trade, so far the private sector predominates.

Syrian economy has a number of forms: the non-capitalist (now the dominant form in industry), the capitalist, the small-commodity and the pre-capitalist. In these circumstances, of course, one cannot yet say that Syria is advancing along the non-capitalist road. At best the country may be said to have embarked on this road, or, as is noted in the statement of our Central Committee, that there is now a broader base for advance along the non-capitalist path.

The Syrian Communists are convinced that it would be inexpedient to draw any hasty conclusions with regard to the socialist development of a country with an economy of this nature. It is not enough to nationalize most of the big and medium industrial companies, or even all of them, to be able to say that a country has already taken the socialist path.

We do not wish to imply that a system of producers' cooperatives throughout agriculture is an essential condition for socialist development. In the case of a country where there are no longer any landowners and no rural bourgeoisie, where all the peasants possess land which has ceased to be an object of barter, where all of industry or its key branches (in the case of small producers) is nationalized, where the state has the monopoly of foreign and domestic trade (even if there are small shopkeepers), where scientific socialism is becoming the dominant ideology, it can be said that such a country is developing in a socialist direction, that it is building socialism.

On the other hand, if more than half the

peasantry in some newly-free country are without land, if the landowners continue to exploit the peasantry by semi-feudal methods, the rural bourgeoisie to exploit agricultural laborers, including sharecroppers, the big and middle merchants to exploit the employees, and if the private sector embraces medium and small-scale industry, such a country—even if the main branches of industry and the basic export and import operations are nationalized—cannot be said to be building socialism, or to be developing toward socialism, or even advancing along the non-capitalist road to socialism. The same applies to economic independence.

The experience of Syria, like that of other countries recently liberated from colonialism, shows that economic independence cannot be achieved so long as capitalism exists. Hence many nationalists have begun to realize that the struggle for economic independence, and consequently, for the consolidation of political independence is at the same time a struggle against capitalism, in other words, the national tasks today are organically linked with social tasks. Lenin stressed that the logic of the liberation movement is such that being at first directed against colonialism, it eventually turns against capitalism and imperialism. Hence, the primary task to be accomplished through socio-economic changes is to build an independent national economy. This implies, firstly, safeguards against the penetration of monopoly capital both in the form of direct investment and in disguised forms (e.g., the establishment of so-called "mixed" enterprises with the participation of foreign and national capital, such as assembly plants for automobiles, refrigerators, television sets, etc.); secondly, freeing the country from international capitalist division of labor under which the liberated state remains a supplier of raw materials or exporter of one or two agricultural crops, and thirdly, freeing the national economy of non-equivalent exchange with the developed capitalist countries.

All this obviously cannot be accomplished by nationalization alone or by establishing a state sector which in itself cannot lead automatically to the consolidation of economic independence or remove the danger of neo-colonialist penetration. This depends primarily on the nature of the political power which plays the decisive role in the choice of the direction the country's economic development will take.

It goes without saying that in modern conditions the internal development of one or another country cannot be examined without

taking into account the character of our epoch the basic content of which is the transition from capitalism to socialism. Were it not for the existence of the world socialist system and its vanguard, the Soviet Union, countries like Syria, Algeria, the UAR, Ghana, Burma and others could not have launched such a bold offensive against capitalism, nor could there have been any question of the non-capitalist, and even less so, socialist development for the newly-free states of Asia and Africa.

On the other hand, it would be wrong to ignore or underestimate the elements of internal development in each concrete case, not to take account of the alignment of class forces and the class struggle not only in their present state, but in their development. Hence we cannot say, for example, that the working class in one or another developing country can be disregarded, although we know that any development, capitalist or non-capitalist, inevitably leads to the emergence of a working class, to its qualitative and quantitative growth. It should not be thought that international factors alone ensure the advance of the newly-free countries along the non-capitalist way leading to socialism.

Neo-colonialism is still very much alive. At first it tries to bolster up the capitalist system, it combats nationalization and the state sector. But when all its efforts are unavailing it begins to maneuver, trying to utilize the new situation to penetrate the country by devious means even, wherever possible, through the medium of the state sector.

The imperialist powers, and primarily the United States, continue to extend loans and other assistance to the newly-liberated countries, despite nationalization and agrarian reform. They keep a watchful eye on political developments in these countries, and their attitude to one or another country is determined by the policy of the government in the given country, the role of the masses, and especially the working class, and the extent of its cooperation with the socialist camp.

This explains why some nationalists, on encountering difficulties in obtaining American aid, write long articles (as did the Cairo newspaper *Al Ahram* recently) in an effort to prove that the Communists are not needed in the developing countries, that these countries can build socialism without the Communists and without the active role of the working class. At the same time these articles berate American imperialism in abusive terms. But the neo-colonialists are much too concerned with the practical results of their policy to pay heed to these outbursts.

V.

The primary task confronting Syria today is that of consolidating and expanding the state sector, above all through industrialization and the construction of such urgently needed projects as the dam on the Euphrates, the Kamishli-Latakia railway and a mineral fertilizer plant.

The question is how is this to be financed? Of course help can be obtained from the socialist countries. This is an important source, but however large this assistance may be it will not be enough. It is also possible to obtain economic assistance from other foreign countries provided no political strings are attached. However, one cannot rely only on assistance from abroad. The chief source for the development of the national economy should be internal resources.

Syria is rich in natural resources. If we could exploit our oil ourselves, with the technical assistance of the friendly socialist countries, we would have a very important source of accumulation. Moreover, our main efforts should be directed at ensuring efficient operation of the nationalized enterprises and the state sector generally. If we could put an end to waste and over-staffing in the state sector we would be able to add substantially to our accumulations, and these funds could be used to expand and strengthen the state sector.

The same applies to the state apparatus which has grown out of all proportion to the requirements of a small country like Syria.

Substantial economy could be effected by cutting expenditure on the armed forces, a measure which would strengthen rather than weaken the combat effectiveness of the army. Every progressive appreciates the role which the army plays in the light of the constant danger of Israeli aggression and the diverse imperialist conspiracies against the Arab national-liberation movement in general and the Syrian people in particular, and, what is most important, against the progressive development of Syria and its influence on the other Arab countries. We are well aware of the patriotic officers' earnest desire to save their country from capitalist enslavement and the remnants of feudalism. Nevertheless, appealing to them as friends, we say that the people are not an army unit, and the popular movement and social development cannot be likened to some military operation. The agrarian and other socio-economic reforms cannot be successfully carried out by decrees alone, since social development is subject to certain objective laws that are stronger than any decrees or edicts. The army is not some

specific social class, it does not constitute an independent social force. This has been clearly demonstrated by the experience of Syria. The patriotic officers understand this very well.

They well remember the effort it cost them to prevent the big bourgeoisie from using the army in its own selfish class interests. During the last class battles they declared that the army was the army of the people, an army of workers, peasants and revolutionary intellectuals. This shows that, in upholding the interests of their country and its people, these officers are not motivated by any desire for personal privilege. They realize that the army should not be separated from the people, that its officers should not be a special group standing politically and materially above the people. Inasmuch as the positions of feudalism and the big bourgeoisie are crumbling and the role of the working class, the peasantry, and the revolutionary intellectuals and the masses generally is growing, rapprochement between the army and the people, and even the merging of the two, becomes the only way to ensure the further advance of the country and to enable the people to fulfill their vanguard role in achieving genuine Arab unity in harmony with the desire of all Arab peoples for democracy and socialism.

For the good of the country it is necessary that the interests of trade and small production should be observed. However, before the nationalization of some importing companies, certain items of import yielded enormous profits to a handful of big exporters and importers. The state quite correctly deprived them of these privileges.

The export of grain and cotton, for example, is concentrated almost exclusively in the hands of a small group of capitalists who buy up the peasants' crop at low prices, and sell it abroad at a huge profit. One such merchant from Aleppo, for example, netted about 22 million Syrian pounds in this way in a single year. The same can be said of the importing of spare parts for automobiles and tractors, building materials and other items which yield fat profits to a small number of agents of foreign monopoly outfits who ruthlessly exploit the small shopkeepers and consumers. This state of affairs should be ended.

Another important source of accumulation is the rapid and radical implementation of the agrarian reform. This would not only further weaken a class hostile to socialism and free the peasants from semi-feudal bondage, but would considerably expand the internal market for manufactured goods, which is at present perhaps the most important considera-

tion, especially in view of the numerous attempts to deprive Syria of her traditional markets in other countries.

In order successfully to solve the diverse and complex problems confronting the country we must have a planned national economy.

The most difficult and important problem facing the country today is that of pursuing a correct policy with regard to the small producers, shopkeepers and the middle sections in general. These sections constitute a major political and economic force. They have endured many hardships and have made many sacrifices in the course of the long struggle of the Syrian people for liberation from colonialism and imperialist domination.

Against the background of the sharpening class struggle, the question as to who will succeed in winning over these sections is one of paramount importance. Will they ally themselves with the working class and the other progressive forces or with the big bourgeoisie and its supporters?

Capitalist development in Syria has not gone far enough for the middle sections to experience the full force of the disastrous effects of capitalism which ruins the small and middle proprietors. The big bourgeoisie is trying to persuade them that radical socio-economic reforms are detrimental to their interests and a threat to their existence. The middle sections must learn by their own experience that these arguments are false and that the nationalization measures are directed not against private property as such but against that type of capitalist property which builds up its wealth and its power not only by exploiting the workers but by ruining and swallowing up the small property owner.

Having failed to prevent the socio-economic reforms, the big bourgeoisie is now trying by diverse means to distort these measures by advocating that they be extended to the small producers and shopkeepers. But the progressives will not fall for this bait. Every thinking person knows full well that any offensive against the small producers and small traders of town and country would be a fatal mistake; such an offensive would not only have dangerous political consequences and help the big bourgeoisie to win over the bulk of the middle strata, but also cause serious economic difficulties on the scale of the country as a whole.

The experience of the socialist countries has shown that socialist reforms save the small producers and traders from the threat of ruin which hung over them under capital-

ism, and ensures them a stable and worthy place in the new society.

* * *

We Syrian Communists, who have always fought for socialism in our country, have supported and continue to support all progressive measures paving the way to socialism from whatever sources they may emanate. As the Syrian proverb says: "We want to eat the grapes, not to kill the watchman." We want our people to reap the fruits of their struggle and to realize their desire to advance toward complete national and social emancipation, seeking no special advantage for ourselves, despite the allegations of the reactionary press which is trying to sow seeds of doubt and suspicion among the progressive forces. We have declared that we are ready to exert every effort in all fields to strengthen and consolidate the gains won by our people. When we demand democratic freedoms for the workers, peasants, the revolutionary intellectuals and for all progressive forces, when we urge a political climate conducive to greater popular initiative and the establishment of a regime that would rely on an alliance of all the progressive forces, we do so because we are convinced that the gains already achieved highlight many very important and complex political, economic and social problems, the successful solution of which requires the creative activity of the masses and the cooperation of all forces dedicated to socialism.

To remove the big bourgeoisie from power and undermine its chief economic positions is not sufficient grounds for concluding that capitalism as a socio-economic system has been completely vanquished and that the victory of the socialist system is assured. Even in conditions of the dictatorship of the proletariat, as Lenin emphasized, the resistance of the deposed exploiting classes sharply increases. "The class of exploiters, the landlords and capitalists, has not disappeared under the dictatorship of the proletariat, nor can it disappear all at once. The exploiters have been smashed, but not destroyed. They still have an international base, in the form of international capital, of which they are a branch. They still retain a part of some of the means of production, they still have money, they still have vast social connections. Just because they have been defeated, their resistance has increased a hundred and a thousandfold."*

The Syrian revolutionaries are faced with a task of the utmost importance, the solution of which requires not only courage and deter-

*Lenin, *Economics and Politics in the Era of the Dictatorship of the Proletariat*.

mination, but also patience, self-control, flexibility, the ability to mobilize every resource and overcome difficulties of every kind. This can be done only on condition that free rein is given to the creative energy of the masses, and particularly of the workers, peasants and revolutionary intellectuals.

The development of the Arab national-liberation movement in the spirit of our time could be broader and deeper if we could achieve the unity and sincere cooperation of all democratic and patriotic forces without exception both in each Arab country and on the scale of the entire Arab world.

The role of the state in Austria's economy

EDMUND FIALA, FRANZ MUHRI

IN FEW CAPITALIST countries does the state play so big a role in the economy as in Austria. Since 1946 nearly all the iron and steel and non-ferrous metal plants, mines and shipping companies have been under public ownership. The state owns a number of electrical equipment, chemical and engineering works, and most of the credit institutions. The three biggest banks, each of which holds a controlling share in the stock capital of industrial concerns, have been nationalized. Since 1947 practically the entire electric-power industry has been brought under public ownership. The railways, postal service, the tobacco industry and the salt works have long been in state hands. And in a large number of other enterprises the bulk of the share capital is held by the federal, provincial or local authorities. The state sector employs nearly 30 per cent of all the factory and office workers, including public utilities employees.

The share of the federal state, the provinces and local authorities in the overall industrial output amounts to about 25 per cent, and if the industrial enterprises controlled by the nationalized banks are included, to 35 per cent. Most of these enterprises are in the

basic branches of heavy industry.

The size of the state sector restricts the grip of the big private interests on the country's industries. Hence the People's Party, the party of Austrian and foreign private capital, has long sought to undermine public ownership as the first step towards denationalization of the key enterprises.

So far all efforts in this direction have been foiled by the working class. For instance, negotiations with the West German Siemens concern, to which the People's Party sought secretly to transfer 51 per cent of the share capital of the former Siemens enterprises in Austria, nationalized after the war, had to be broken off. And when it became known some months ago that the People's Party was planning to sell the majority of the shares of the government-owned oil distribution concern to West German oil interests the workers resisted vigorously, demanding that the company be incorporated into the nationalized OEMV Oil Company.*

*Since then pressure from the oil workers who threatened to strike and the workers of other industries who supported the oilmen has compelled the People's Party to give up its attempt to block the merger.—Author's Note.

Nationalization impedes the infiltration of the key branches of the economy by foreign capital. Hence the working class, aware of the importance of public ownership for ensuring Austria's economic independence, is determined to preserve and extend the state sector. This struggle for independence is part of the class struggle, with the working class upholding the interests of the nation as a whole. The struggle for nationalization at the same time presupposes a struggle for democracy in the state sector, a struggle to secure for the workers a share in its management.

As in other capitalist countries, the state exercises considerable economic influence through its finance, credit and currency policy. The role of the federal government, the provinces and municipalities as buyers and investors can be seen, in particular, from the fact that nearly half of all investments are made by the state sector. But the latent possibilities of state economic intervention are not fully utilized owing to domestic political and foreign economic considerations.

Since 1945 the People's Party and the Socialist Party have been in coalition. But as regards the functions of the state sector they hold opposing views. So far neither has been able to gain the upper hand, and this has created a situation which allows only of compromises and half-way solutions. Hence the lack of coordination within the state sector.

The People's Party and the spokesmen of the big private interests have the decisive say in the nationalized banks. The industrial concerns controlled by these banks are therefore managed exclusively from the private capitalist standpoint. The People's Party also controls the federal enterprises subordinated to the Minister of Finance. Moreover, since People's Party men head the provincial administrations and city councils, their influence is dominant in the provincial and municipal enterprises. Lastly, the People's Party holds the majority of seats on the board of directors of the National Bank.

Although the nationalized industries are under the jurisdiction of Vice-Chancellor Pittermann, a Socialist, the principle of proportional representation observed on the boards and supervisory councils of the enterprises has enabled the big employers and People's Party men to ensconce themselves in the key posts. The power industry, the railways and the postal services are subordinated to a Socialist minister.

This explains why the nationalized industrial enterprises, far from cooperating, compete with one another, why there is no coor-

dination in the power industry, and why the industrial enterprises controlled by the nationalized banks launch lines of output for which there is free capacity in the nationalized industry.

Foreign economic policy is another factor which tends to limit the efficacy of the economic levers at the disposal of the state. The Austrian economy is very much dependent on foreign trade. Nearly one-quarter of the national product goes for export and the same proportion of the goods consumed in the country as well as its industrial plant originate abroad. Flaws in the export structure—the high percentage of raw materials and semi-manufactures and the far too great trade commitments to the EEC (which accounts for 50 per cent of the exports and nearly 60 per cent of the imports) — make the economy sensitive to fluctuations on West European markets.

Lastly, it should be mentioned that foreign capital exercises no small influence on the nationalized enterprises and on some other branches of the state sector. The links with foreign capital which the People's Party seeks to promote in order to increase private capitalist influence in the state sector also act as a brake.

Because of these factors Austria's economy is no more protected against slowing of the rates of growth, recessions, disproportions and structural weaknesses than those countries in which the state wields less influence in the economy and hence has fewer opportunities to exercise guidance. In other words, although the state sector in Austria is bigger than in any other capitalist country, its impact on economic processes can hardly be said to be more pronounced. As regards utilization of state levers to sustain business activity and rate of growth, Austria is very much in the average bracket, and, in comparison with some other West European countries, even an "underdeveloped" country.

Things, however, appear in a different light if we examine the latent potential that could be drawn upon provided the workers played a greater role in managing the state sector. Indeed, to program the economy in the interests of the working people, it would hardly be necessary to change property relations in the key branches of industry and the credit system; in all probability it would be enough to change the domestic political balance in favor of the working class.

ANTI-CYCLE POLICY

Since the so-called stabilization crisis of 1952-53, which was overcome by devaluating

the schilling in relation to the dollar and thereby increasing exports, Austria has not had a slump. The gross national product registered a steady growth, totalling 72 per cent in the period from 1953 to 1963.

The rate of growth, however, has not been even. There was a considerable slowing down in 1959 and 1962. Beginning with 1953, the growth of the real gross national product was as follows (in percentages):

1953	3.9	1959	2.8
1954	8.6	1960	8.3
1955	11.1	1961	4.8
1956	5.1	1962	1.5
1957	5.9	1963	4.4
1958	4.1		

It will be noted that the difference between the last boom year of 1960 and 1962, for instance, is quite considerable.

The fluctuations were due primarily to cyclical ups and downs in private investment at home and also to changes on Austria's foreign markets. But their amplitude would have been far greater and things might possibly have come to crisis were it not for the counter-effect of the state budget and mass consumption trends. These counterweights should be examined in greater detail.

For many years now the state budget has been designed to act as a damper on cyclical ups and downs. During boom periods expenditure is increased only slightly and at times of recession public disbursements are stepped up sharply through deficit spending. But at best these shots in the arm produce an effect only after considerable delay, partly due to the periodicity of the budgets. Although the last recession set in in mid-1962, an effective anti-cycle budget was drawn up only for 1963, during which year public consumption and construction rapidly increased.

The anti-cyclic trends are less pronounced in the sphere of state investment than in the dynamics of overall government spending. State investments are growing rather evenly, mitigating the negative effect of recessions in private investments on the general condition of the economy.

The budgetary policy of stepping up state expenditure on pensions, annuities, and other payments in periods of decline tends to increase the purchasing power of the population.

Alongside the conscious regulation of government spending, the movement for higher wages has long been a probably no less effective factor in countering cyclical ups and downs than the budget. True, the high points in this movement by no means coincide with

the periods of most rapid economic growth; so far there has always been a lag of six or nine months. Growth of incomes, as a rule, affects the consumption level with even greater delay.

The wages movement continued through the recession of 1962, due to the comparatively high level of employment, which in turn could be traced to the reluctance of the employers to resort to wholesale lay-offs, firstly because they anticipated difficulties in replenishing their labor force when the new upswing set in, and, secondly, because of the political importance of full employment.

Consequently, in 1962 and 1963, when the decline in private investment and export created a gloomy outlook, the income of the population (wages, salaries and payments from public funds) increased more than the annual average over the years. The growing consumer demand partly compensated for the fall in investment and prevented the onset of a general slump. The national product grew, albeit at a considerably lower rate than in the boom years.

The budget bills repeatedly place the emphasis on federal spending policies aimed at ensuring full employment. And the high rate of employment actually attained in recent years strengthens the hand of the factory and office workers in both trade union and private wage negotiations with the employers. Full employment plus the fight for wage increases may well become a lever attenuating the cyclical ups and downs.

The state has no alternative but to pursue a full employment policy. Even the People's Party cannot afford openly to oppose it, on the one hand because of the strength of the working class, and, on the other, in order to prevent, to use a set phrase, "communism from striking root." Here we feel the indirect influence exerted by the socialist countries of Europe on the West.

DEFECTS OF THE ECONOMIC POLICY OF THE STATE

Although the policy of the state aimed at countering cyclical fluctuations of economic activity has been quite effective, it suffers from some major defects.

The Minister of Finance, mainly because of the subsidizing of private business, has never succeeded in building up budget reserves in boom years for use as an economic stimulant at times of declining activity. The state debt has grown even in years of high activity, though the biggest increase has resulted from deficit spending. For some years now the

government has had recourse to deficit financing of payments on debts and interest, and this limits the possibilities for using deficit spending as an economic prop. In 1963, for instance, only about one-third of the federal deficit spending served to sustain business activity.

The present privileges extended to investors, such as tax exemptions on advance deductions for depreciation of plant and buildings, not only make it more difficult to build up budgetary reserves in times of boom but clearly tend to increase cyclical fluctuation, i.e., to "overstrain" the economy and to aggravate the situation in times of recession. The point is that investors save most in taxes when investment is at peak, whereas when the level drops taxes tend to go up with a resultant further ebb in investment.

Similarly the subsidizing of export trade and agriculture does not counteract cyclic fluctuation. As things are, it merely tends to be intensified.

Lastly, state-owned enterprises are hardly used at all to counter cyclical declines. The affairs of enterprises within the People's Party's sphere of influence, primarily the industrial and commercial concerns controlled by the nationalized banks, are deliberately conducted on "private capitalist" principles, which means that they cannot be used as instruments of state economic policy.

As for the nationalized industry subordinated to the socialist Vice Chancellor, it is not in a position to pursue an active policy in this respect. Being stock companies, the nationalized enterprises are subject to the joint-stock company act which gives a decisive say to the respective boards of directors. At any rate those whose boards are dominated by People's Party men are run in the same way as any private enterprise. Moreover, the nationalized enterprises are unable to obtain the credits needed for an active policy either from the budget or from the state banks since the entire credit machinery is in People's Party hands. Consequently, they have to go along passively with the ups and downs instead of counteracting them. This has been the case in recent years in the nationalized steel industry as well as in the electrical equipment and engineering industries.

The National Bank, on whose board the People's Party occupies the dominant position, has devoted far more attention to currency policy than to measures acting on the general economic situation. Indeed the policy of the National Bank, primarily aimed at ensuring the stability of the schilling, frequently ag-

gravates the general economic difficulties instead of mitigating them.

In conditions of "limited competition" full employment cannot be equated with currency stability. Inasmuch as full employment prevents the employers from exerting pressure on wages, they systematically seek to reduce the per capita share of the wage and salary earners in the national income by raising prices and productivity of labor. This is what happened between 1953 and 1963. At times of declining economic activity, when growth of productivity (output per worker) is reduced as a rule by undercapacity operation of plant, the employers look more to higher prices as a means of increasing the share of profit in the national income. The levers they use to this end include their dominant position on the markets, tariffs, cartels and other forms of price fixing.

This partly explains why consumer prices went up during the 1960 boom only 1.9 per cent and during the recession of 1962 by 4.4 per cent. In 1963 the rise in prices slowed down with the growth in business activity and amounted to 2.7 per cent. Other reasons for this "anti-cyclical movement of prices" should be sought in the sharp increase in tariffs in 1962 and the inflationary effect of the substantial balance of payments surplus formed in the recession years.

In the present conditions of monopoly domination currency stability can be achieved only by increasing unemployment.* This indeed was the object of the policy of the National Bank in 1963. To "stabilize the currency" tight restrictions were imposed on credits, and this in turn curtailed investment and led to a situation where industries producing the basic means of production had fewer orders. That no mass layoffs took place in these branches was due to reluctance to disperse the labor force as well as the priming provided by budgetary policy.

There is hardly any need to go into greater detail here. The foregoing is sufficient to show that the National Bank not only does not support anti-cycle budget policies but is often opposed to them. Nor has the National Bank sought to use its bank-rate and money market policies to counteract cyclical ups and downs.

There is no one opinion among experts as to whether recessions can be combated by regulating the discount rate. In the United States the bank rate, irrespective of the general level of business activity, is traditionally low. The same is the case in Switzerland and West Germany. In Britain, on the contrary,

*This does not mean that the rise of prices cannot be retarded by combating cartels.—Author's Note.

the bank rate is flexibly used as a regulating lever. In Austria it has hovered between 4.5 and 5 per cent for the past several years.

But for all that an open money market policy either curtailing or increasing the currency in circulation could be used as a regulator of the economic pulse.

PLANNING AND STRUCTURAL POLICY

The People's Party too agrees that in order to ensure maximum utilization of production capacity and a high level of employment (considering the political importance of full employment) it is essential for the state to adjust its economic policy to the requirements of the moment. But as it sees it, it should not go beyond general measures which do not intrude in any way upon private initiative.

Consequently, the People's Party rejects as a matter of principle all forms of general economic planning involving state intervention in the sphere of private enterprise. But without planning no long-range economic policy and improvement of the economic structure is possible.

In recent months the Socialist Party has tried to set up planning bodies of a sort but this attempt has been frustrated by resistance on the part of the People's Party. A so-called economic and social council was set up on a parity basis, but its powers are limited merely to making recommendations, which, moreover, the government is hardly likely to accept.

And yet a long range policy designed to improve the structure of the economy is imperative. For the structural defects in the spheres of both state and private economic activity are a brake on progress.

One of the most serious structural flaws is the excessive capacity of the basic branches of heavy industry as compared with manufacturing. This applies primarily to iron and steel, and also to the cellulose and timber industries. In the metal-working industry the output of material-intensive lines predominates, whereas on the international markets, especially on the machine market, there is a growing demand for labor-intensive output. On the whole specialization has not been carried far enough in Austrian industry, and the proportion of the more rapidly developing branches (for example, chemicals, electronics, precision engineering and optics) is considerably lower than in other industrial countries. These structural flaws are reflected in exports. Consequently, the prospects of growth in industry and of marketing its output both at

home and abroad are unfavorable. To this should be added the structural defects in the regional distribution of foreign trade, primarily excessive involvement in trade with the EEC countries, which exposes the Austrian economy more than the economy of countries with a broader export pattern to the danger of crises.

Generally speaking, Austrian private-business interests display less initiative and are less interested in technological progress than their counterparts in other capitalist countries. They are reluctant to take the risks involved in carrying out major industrial projects. The reasons for this can be traced to the period of the industrialization of Austria.

As for the state sector, although big enough to do much to abolish the present structural defects, it is hamstrung by capitalist group interests.

The vacuum thus created in both areas, state and private, is filled by foreign capital. Since 1955 foreign interests have been infiltrating above all the new branches of industry by setting up new enterprises or entering into partnership in the old. Inasmuch as research is less advanced in Austria than in other countries, both private and nationalized industry are compelled to buy foreign licences and to rely on foreign technological know-how, all of which results in dependence, with consequences no less negative than those of excessive penetration and entrenchment of foreign capital.

Some 20 per cent of Austrian industry is again in foreign hands. West German influence, which had been reduced practically to nil prior to the conclusion of the State Treaty, now extends roughly to six per cent of industry, or nearly one-third of all foreign holdings. And there are innumerable links with foreign interests in the form of licence arrangements and cartel, production and representation agreements affecting primarily nationalized industry and the industrial concerns controlled by the nationalized banks.

The working class can hardly look upon all this from the sidelines. It cannot but take an interest in the percentage of growth of the national product envisaged in the next few years. For, first, full employment can be ensured only if a certain minimum growth rate is maintained, and, second, the workers' chances of winning a higher living standard largely depend on this growth. Inasmuch as the structural defects have a protracted retarding effect on economic growth, the working class cannot but insist on an active structural policy. Moreover, the structural defects

facilitate foreign penetration. The working class is duty-bound to give thought to these problems in order to ensure the economic independence and neutrality of the country.

Take the most pressing demands. For one thing, it is imperative to put the state sector on a profoundly democratic footing, besides coordinating and administratively uniting its various parts now scattered among different areas of jurisdiction. The nationalized industries and the concerns belonging to the nationalized banks should dovetail production plans and cooperate in all spheres. The nationalized banks should undertake the financing of the entire state sector.

The structural plan for nationalized and private industry should provide for more precise production programs and specialization, expanding the capacity of manufacturing industry, promoting the branches with a future, better distribution of industry so as to abolish the built-in unemployment now endemic in some areas, modernizing and, in particular, automating production, facilitating research and training personnel, and also improving the foreign trade structure by expanding trade with the European Free Trade Area, the socialist countries, the developing countries and the underdeveloped non-European countries with a view to ending the abnormally close ties with the EEC.

The federal currency and budget policy, as well as the tax and expenditure policy of the provinces and municipalities should be geared to ensuring long-range economic growth and improving the structure of the economy. Privileges granted to investors and export and farm subsidies should be used purposefully, i.e., they should be made levers counteracting cyclical fluctuations, instruments of effective structural and political intervention by the state in the private sector.

In order to combat the penetration of foreign capital and to ensure full employment and social progress, the working class should press for implementation in the state sector, on the basis of a long-range plan, of a policy of economic growth and structural change corresponding to its interests and the interests of the overwhelming majority of the population. This objective can be achieved only through economic planning under broad public control, with the working class ensured a weighty part in management, which in turn implies curbing the big Austrian and foreign interests and putting economic life on a democratic footing.

Austria is in a good position to do this thanks to the size of the state sector.

DEMOCRACY IN THE ECONOMY

To wind up our survey we would like to draw some political conclusions.

Needless to say, we are dealing with state capitalism, whatever the form of state intervention in the economy. The working class does not wield power in our country, nor has it any real say in the management of the economy. Despite this the Austrian Communists uphold the state sector, since nationalization in the present conditions restricts the power of big capital and impedes the penetration of foreign capital; moreover, it is already taking forms which facilitate democratic processes in economic life and, in the final analysis, the transition to socialism.

From the foregoing it can be seen that state intervention in the economy takes diverse forms. The *class content* of this intervention and the direction in which it will develop are decided through class struggle. The capitalists and their political leaders are strongly opposed to "state compulsion" when it threatens their profits. But they have no objections to forms of intervention which benefit them. Some bourgeois economists no longer reject limited "programming" and government guidance of certain sectors of the economy provided this strengthens the positions of the big capitalists, giving them the decisive say while reducing the influence of the working class and its organizations to nil. The Communists, on the contrary, advocate methods of planning and state guidance that will restrict the absolute power of capital and give the working class a say in management.

Take, for instance, the coal-mining industry, most of which is nationalized. In recent years repeated attempts have been made to close some pits on the pretext that they are unprofitable. Actually, however, these attempts were prompted by competitive considerations and a desire to strike at the very principle of nationalization. But so far the united actions of the miners have prevented the biggest pits from being closed. Although even the bourgeoisie conceded the need to plan the power industry, which takes in coal, oil, gas and electricity, it sought to force through a plan that would have cut coal mining by half, whereas the progressive forces want a power plan that will not rob the miners of their jobs.

For a long time now the Austrian economic scene has been marked by brisk business activity. The traditional forms of the cycle characteristic of prewar capitalism are no longer in evidence. The reasons for this can hardly be analyzed in one article. But the facts cited

above make it plain that the diverse forms of state intervention have played an important part in sustaining economic activity at a high level. Inasmuch as the view stemming from past experience that periodical economic crises are inevitable everywhere under capitalism obviously no longer holds true, the strategy and tactics of the revolutionary party of the working class must be changed accordingly.

At present when the forces of socialism are increasingly determining the march of history new opportunities are opening for the working-class movement in the capitalist countries. In Austria the working class is in a position to wage a successful struggle to ensure a high standard of economic activity and full employment, and to secure a bigger share in the results accruing therefrom. This struggle is directly connected with the regeneration of democracy and is a component of the orientation on the peaceful transition to socialism. Our experience confirms the correctness of the appeal of the Communist parties of the European capitalist countries adopted in Rome in November 1959 which declared:

"The power of the monopolies should be curbed through nationalization of some of the

monopoly sectors of industry and placing the managerial bodies of the public sectors of the economy on a democratic footing: through the initiative and participation of the working people in all areas of economic life; through democratic control over investments in industry and agriculture; through agrarian reform and defense of small peasant property and also of other small and middle producers against the monopolies . . . All these measures are democratic in nature. Although they do not abolish the exploitation of man by man, they will, if carried out, restrict the power and means of the monopolies, enhance the prestige and political weight of the working class in the life of the country, help to isolate the more reactionary groups in society and facilitate the building of a bloc of all progressive forces . . ."

Needless to say these aims cannot be achieved by pursuing a policy of "social partnership," of class collaboration which paralyzes the initiative of the masses, the policy propagated and practised by the leaders of the Austrian Socialist Party and the trade unions. The condition for achieving these aims is unity of action, broad mobilization of the masses and mass struggle of the working people.

Czechoslovakia's new system of economic planning and management

OTA SIK

THE CENTRAL COMMITTEE of the Communist Party of Czechoslovakia agreed at a meeting in January on the basic guidelines for improving the planned management of the republic's economy. This was in line with the decisions of the Party's Twelfth Congress to put the economy on a more intensive footing and to organize its management along scientific lines.

The draft for the new system was the product of months of preparatory work by a large number of economists, researchers and executives under the guidance of the Central Committee and its Presidium. This preparatory work was accompanied by a full and lively discussion in the Press and at meetings and conferences of researchers and executives.

The discussion was joined by Party and trade union functionaries, the rank and file of the Communist and other parties and by non-party people, in a word, by the working population generally. The overwhelming majority felt that economic management had to be radically improved. From the outset the common aim was to find the methods and forms of planning and management which would best facilitate the implementation of Party policy in the sphere of the economy as well as of social development generally.

As the exchange of views developed it became increasingly clear that the old system of management, based mainly on directives from central bodies handed down the administrative ladder, had to be replaced by a *comprehensive and economically sound system of management*. This was fully borne out by a thorough analysis of the past development of our economy, especially in recent years. In this article we propose to give a brief survey of the work done along these lines.

* * *

Czechoslovakia's economic progress since the liberation and the establishment of peo-

ple's democratic government is clear proof of the advantages of socialism. The national income in 1963 rose to 160 per cent of the 1937 level, with industrial output increasing 4.8-fold. From the completion of the post-war rehabilitation, as a result of the fulfilment of the 1947-48 two-year plan, up to 1960 the average annual rate of growth of national income was eight per cent, and of industrial production, 11.6 per cent. As the building of socialism progressed, the standard of living rose considerably, workers' real wages rising in 1963 to 122 per cent of prewar. The industrial potential of socialist Czechoslovakia substantially exceeded that of the prewar bourgeois republic, which already then ranked among the industrially developed countries (it accounted for 1.6 per cent of the world industrial output in 1937).

But the comparatively rapid growth rate notwithstanding, the emphasis on extensive rather than intensive development resulted in a lag in efficiency. It was, needless to say, necessary to expand production facilities, to build new capacities and enlarge the old, and to bring more manpower into industry, but for all that exhaustion of the extensive sources of output growth made it imperative to turn to intensive development for the sources of greater efficiency which the existing system of planning and management had failed to reveal. By the sixties the economy, together with the continued lag in efficiency, began to lose its dynamic quality. It became obvious that the existing system of management could not ensure the needed radical and lasting upswing in the economy.

There are times, in particular the transition from capitalist to socialist economy, when strict centralized management is necessary. Centralization helped us to accelerate the social and structural remoulding of the economy and to ensure progress along socialist lines at a

time when the class composition of the managerial personnel underwent a radical change and it facilitated rapid equalization of the economic levels in the various parts of the country. But as socialist economic development gradually got into its stride, the rigid centralized planning and management became the main impediments to greater efficiency.

Let us examine more closely the connection between the negative phenomena in the development of our economy and the methods of management.

Investments, which the socialist state finances through centralized channels from the revenue from enterprises and their accumulations, went into expanding the production facilities, i.e., building new factories and producing and installing additional machines. This left less and less for *renewal and modernization* of existing plant. The newly-built capacities, however, did not compensate for the diminishing returns caused by the aging of the old plant. As a result, investments, despite their steady growth, proved less and less effective. This became evident, for instance, in the slow-down in the rate of growth of the national income in relation to the basic production fund.

In some branches, manufacturing for instance, the technological lag seriously retarded growth of labor productivity which practically ceased in 1962-63. This pointed to the imperative need to make more intensive use of the funds earmarked for capital construction.

The sources for augmenting the labor force likewise had to be thoroughly examined. For a time it was possible to maintain the rate of growth of production by getting housewives to go to work and enlisting in the industrial labor force people formerly employed in agriculture and other branches. But when these sources were exhausted it became more imperative than ever to place the emphasis on higher productivity. More, Czechoslovakia experienced what may be called "over-exhaustion" of manpower sources — above all the enlistment in the production process of housewives at a time when the conditions for this had not been properly prepared by adequate expansion of public services (creches, nursery schools, school canteens, etc.). Nor was the time ripe for the transfer of part of the agricultural labor force to industry since all-round mechanization and chemicalization had not been carried far enough to compensate for the outflow of manpower.

Another problem of recent years has been the unfavorable trends in the production structure, both the macrostructure — the proportions between branches of industry — and the microstructure — the ratio between the output of various items within each branch.

Bourgeois propagandists have given a distorted picture of our critical analysis, claiming that the postwar changes in the macrostructure, effected mainly during the first five-year

plan, did not meet the requirements of Czechoslovak economy. The facts tell a different story. It was the conditions and requirements of the time which compelled us rapidly to increase the share of engineering in industry as a whole, and primarily the share of heavy machine-building, as the basis for expanding industry, gradually bringing the economic level of Slovakia to that of Czechia, advancing along socialist lines unencumbered by dependence on the imperialist powers, rendering industrialization aid to fraternal countries and, lastly, steadily increasing our foreign trade. The shortcoming, especially in recent years, was the continued "extended reproduction" of the same macrostructure without taking due account of the country's natural and economic conditions.

What we criticized, then, was not the post-war changes in the structure of industry but the insufficient flexibility we displayed in effecting further adjustments of both the macro- and the microstructure. For a country possessing a relatively advanced industry but poor in natural resources and hence compelled to import a substantial part of its raw materials, and with a relatively restricted home market not permitting sustained highly efficient quantity production, foreign trade is a precondition of economic progress. It was this consideration that was not sufficiently reckoned with in recent years, and the resultant loss to the economy was aggravated by the difficulties encountered in supplying the population and the economy as a whole with home-produced agricultural products. This had an increasingly unfavorable effect on the trade and payments balance.

The structural trends were unfavorable not only from the standpoint of the correlation of foreign trade and the economy as a whole. At the same time negative elements became more pronounced in the balance between the structure of production, or supply, and the structure of requirements, or demand. On the one hand, the output of less essential and even unnecessary items often expanded in both the sphere of means of production and the sphere of consumer goods (as can be seen from the steady piling up of unplanned stocks), and, on the other hand, the list of items in short supply grew longer. In a word, it became clear that the national-economic balance was being upset more and more both in the macrostructure and the microstructure.

An examination of the facts left no doubt that the existing system of planned management not only was unable to ensure the overcoming of the contradictions between the production and consumption trends; the system of central management relying more and more on purely administrative methods deepened the discrepancies between the structure of production and the structure of requirements. The existing methods of planning and

management, by setting the enterprises quantitative targets through directives, prompted them primarily to increase output measured in terms of gross or marketable production or by other similar yardsticks. This led to enterprises frequently expending funds and materials uneconomically, lack of coordination in the production of certain items and unjustified import of raw materials and other items. The supplier plants were both in the economic and administrative respects in a privileged position in relation to the buyer plants, on which they could to one or another extent press their goods whether they were actually needed or not.

The one-sided drive for more output, for quantitative targets, was accompanied by a lack of sufficient stimuli to improve technology, go over to the use of new materials and turn out better and more up-to-date goods. The slackening of the qualitative aspect was, broadly speaking, the result of obsolete methods of management. One-sided and insufficiently realistic plans and the objective material interests of the enterprises and their personnel both tended to retard technological progress, modernization of output, and rationalization of production. The central managerial bodies were unable either fully to reveal or to make systematic use of all the levers for improving quality.

Creative development of economic thought in Czechoslovakia and in the other socialist countries made it easier to draw the correct conclusions from this critical analysis aimed at getting to the root of the negative phenomena evident in Czechoslovak economy in recent years and working out a comprehensive solution. The decisions of the Twentieth Congress of the CPSU and the progress made in the social sciences, including political economy, since the late 'fifties in all the socialist countries made for a deeper theoretical examination of economic relationships under socialism, fuller clarification of the nature and specific features of which is essential for social progress.

An approach which proceeds not only from practical experience as such but also from profound theoretical conclusions based on studies made over the years, the generalization and thorough analysis of one's own experience and its comparison with the experience of other socialist countries, is in the very nature of the Marxist movement. Today Marxist theoretical *analysis*, which has always given the Communist movement the advantage over all other political movements and won it the respect of ideological opponents, and the scientific methods of which were largely ignored during the Stalin cult, is once again coming into its own.

* * *

Analysis and research have given us, and the economists of the other socialist countries, a

deeper understanding of the nature of socialist economy and enabled us to work out the necessary methods of planned management. The most important of the new conclusions is the *interdependence of socialist planning and the socialist market*. This conclusion, which has been thoroughly substantiated in our country, puts an end to what was until recently a deeply rooted misconception.

Until recently, the connection between planning and the market was incorrectly understood and the concept of the market was applied to the socialist economy in a sort of shamefaced way. It was held, wrongly, that planned social coordination, planned management of production, was the absolute antipode of orientation on the market, of utilizing market levers. Planning was assumed to be an attribute of socialism alone, and production for the market a feature solely of capitalism. These tenacious theoretical premises brought much harm; because of them a system of planning and management was adhered to which meant that production could not be adequately geared to its proper aim — that of satisfying the home and foreign market demand — and consumers could not exert any direct influence on the producers. The result was disproportion between production and requirements, between the labor expended and its results in terms of consumption.

In the light of this the difference between capitalist and socialist economy was not accurately defined. For the difference does not consist in production under capitalism being necessarily geared to the market whereas under socialism the market plays no role whatever. Socialist planned production should consistently seek to satisfy the market demand, and sales of goods on the market should be the main criterion of the social usefulness of the labor expended in the production process.

Means of production should also be regarded as commodities, bought and sold by socialist enterprises, with only minor quantities of goods in short supply being directly distributed in exceptional cases to meet priority needs. The market they enter is a specific type of market — a market of socialist enterprises. It is not only a matter of the plan anticipating future market trends and the production program being adjusted accordingly, but of the actual demand introducing amendments in production programs drawn up in advance. Production which does not satisfy actual demand (if certain goods remain unsold or have to be sold at a considerable loss, or some definite demand is not met) cannot be said to be socially necessary production even if all is well with the fulfilment of planned targets.

But this does not mean that there is no difference in this respect between socialist and capitalist economy, that we should re-examine our Marxist principles. There is a difference in *quality* between the two economic systems.

We must make it quite clear, especially in the light of bourgeois propaganda which is distorting the meaning of our reappraisal and of our solutions, that neither in theory nor in practice have we ever equated the socialist economy with the capitalist economy. Some bourgeois propagandists, indulging in wishful thinking and interpreting our views and solutions as a departure from socialist economics, as rejection of socialist planning and a return to capitalist commodity relationships, even as a gradual transition to capitalist enterprise, have ignored the fact that what we are talking about is *socialist* commodity-money relations, the *socialist* market and *socialist* enterprises, and that this is what fundamentally distinguishes our economy from the capitalist economy. Our production differs from capitalist production not in that it should not meet the requirements of the market, but in that it is a *different* kind of production catering to a *different* kind of market, and, lastly, because the way in which we seek to achieve harmony between socialist production and the socialist market differs from the capitalist way, from the machinery of the capitalist economy. Our production enterprises are socialist working communities, relatively independent links of a broad producers' cooperative embracing the whole of society. Historically speaking, capitalist enterprise in our country is a thing of the past. Our market is a socialist market for socialist production enterprises and trading organizations exclusively. In effect, the means of production are sold only to socialist productive units, and this rules out the possibility of the restoration of capitalist production.

Lastly, harmony between production and the market is achieved primarily through long-term plans determining not only the main trends and structure of production, but also the basic trends of the home market. And the fact that these plans basically define the distribution of the national income in conformity with the fundamental interests of all working people, that they determine the movement of prices for the basic goods, predetermines also the general trend and structure of demand. Consequently, socialist planning will continue to be the basic means for dovetailing production with the prospective market.

In order to accelerate the progress of the socialist economy, to heighten its efficiency and to make full use of its real socio-economic advantages, we believe it necessary:

- 1) to bring the market to bear more effectively and directly on our production and trading enterprises within the limits of economic plans;
- 2) to promote commodity relationships also between socialist state-owned production enterprises;
- 3) systematically to do away with all the wrong administrative methods of planning and management which impeded orientating pro-

duction on the market and acted as a brake on the development of socialist commodity-money relations.

Socialist commodity-money relations and the removal of all obstacles in their way will enable the enterprises not only to *satisfy the demand more rationally*, but also to give effect more consistently to the principle of *maximum economic expediency* in production and consumption.

In this connection it is necessary to dwell in detail on the theoretical implications and practical application of *cost accounting*. Formerly cost accounting, both as a theoretical proposition and a concrete method of management tended to be reduced to formal accounting operations. Its basic function, which Lenin defined as the use of material incentives to raise the efficiency of production, was ignored. In the period of the Stalin cult the material interests of the enterprises as communities of producers were disregarded more and more. While formally cost accounting was practised, the material stimuli to reduce production costs and increase the quantity of values produced and realized and corresponding to the consumer demand diminished.

True, the enterprises formally kept account of the cost of production, income and profit, but:

- 1) their income did not depend on meeting the actual needs of the customer, their planned production was not coordinated with consumer demand, and the consumers were often obliged (by both economic and administrative pressure) to take things they did not need;

- 2) the income of the enterprises was no indication of the actual value of their products since the prices were not consistent with it. Price-fixing was largely arbitrary with the result that price ratios did not correspond to value ratios, nor the dynamics of prices to the dynamics of value. Because of this some enterprises showed a loss and others a profit irrespective of performance;

- 3) enterprises were provided funds for wages and bonuses and for other reproduction needs depending on the fulfilment of one-sided plan indices, but without regard to value actually created. Even when goods remained unsold in the warehouses or when they had to be sold on the home market, and even more often abroad, at far less than value, the enterprises continued to receive the planned funds for wages and needs of reproduction generally.

Commodity relations and categories, including cost accounting, became a pure formality. A radical turn must be effected in this respect.

Socialist commodity-money relations and the method of management these relations entail, i.e., cost accounting as understood by Lenin, imply that each enterprise must not only realize the actual value of its products through sales but, in realizing this value, also cover the

expense of reproduction, including expenditure on wages. The time has now come fully to observe this principle.

These and other theoretical conclusions drawn from a profound survey of the situation unquestionably played an important role in the elaboration of the new, improved system of planning and management which the Central Committee of the Party endorsed after thorough consideration of numerous drafts. Let us now examine the new model in detail.

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Needless to say, the long-range prospects of economic development will be mainly determined by the general state plan. Socialist planning will thus continue to draw on the advantages accruing from guidance of the basic economic processes from one center.

Only a central body is able to ensure, through a *long-range* plan, the proportional development and the necessary structural changes in the economy. The long-range plan deals primarily with basic capital construction in conformity with the macrostructural requirements, the main trends of technological progress, volume of output of the most important items, especially those in short supply, the correlation of international division of labor and the Czechoslovak economy, primarily from the standpoint of fulfilling long-term agreements with other socialist countries, the perspectives as regards the structure of the labor force and its skills, and, lastly, the principal trends in the distribution of the national income which determine the basic economic proportions.

As distinct from the hitherto existing practice, the new system of management allots only a minor role to directives from the top, i.e., obligatory production indices set by the central body for subordinate managerial levels, primarily for the enterprises. Instead, the macro-economic objectives will be achieved by setting a minimum of direct obligatory assignments and providing the lower levels with adequate information as guidelines. The interests of the enterprises and the interests of society will be harmonized by means of the overall state plan and a system of rules and levers necessitated by commodity-money relations.

A basic consideration is that socially necessary production can be more effectively promoted by cutting down on the number of obligatory targets set from above and ensuring that it will be in the interests of the enterprises to choose production targets meeting the needs of society and the national economy. The enterprises should be provided with incentives not only to increase output and raise productivity but also to improve quality.

To this end, the managements of enterprises or industries should have a hand in working out the five-year plans as well as the long-

range plans and forecasts. The interests of the enterprises and their attitude to plans are bound to change considerably when commodity-money relationships are put on a correct footing. It is common knowledge that in the past enterprises sought to obtain maximum allocations for investment irrespective of the anticipated returns, and as big a labor force as possible, while keeping production tasks to the minimum. Owing to this, plans were finalized largely on the basis of subjective considerations and compromises between various management bodies. Under the new set-up the enterprises will strive for optimal plans so as to make the most effective use of the productive forces.

In the process of planning we propose to use the most up-to-date scientific methods with a view to arriving at optimal solutions and step-by-step coordination of the tentative projects drawn up in the various branches and by the central bodies. The new system will make it possible to make more effective use of modern computing techniques.

In compiling short-term programs, especially annual or bi-annual plans, the main role will belong to the management bodies in the various branches of industry. Guided by the long-range plan and prompted by centrally established and controlled economic stimuli based on commodity-money relations, they will of course be interested in ensuring the utmost efficiency. The central bodies, needless to say, will see to it that the short-term plans accord with the perspectives of the economy as a whole. The central planning bodies will then chart the optimal lines of development, introducing readjustments if necessary either in the long-range plan or in other economic levers. They may also issue directives amending the short-term plans, though this should not be the rule.

Socialist commodity-money relations in the conditions of socialist planning presuppose a large measure of independence of the enterprises not only in drawing up plans but also, and even more, in carrying them out, in solving the multitude of problems that crop up from day to day.

Under the new system of management the enterprises themselves will in large measure determine the quantity and type of output, all the micro-proportions, and decide questions pertaining to technology, quality and expenditures involved in the production of particular use values. Two circumstances necessitate this relative independence of enterprises as socialist producers, namely:

1. The fact that, as experience has shown, the central planning bodies cannot be expected to know all the concrete conditions of production and marketing at every given moment. For Czechoslovakia now produces roughly a million and a half different types of output.

2. That the decisive role in production plan-

ning by enterprises is played by the *material interests* of its workers. At the present stage of development of the productive forces and owing to the present nature of labor processes, material incentives are unquestionably the chief stimulus. The gearing of incentive to quantitative indicators has hitherto been one of the main obstacles to greater efficiency.

Greater independence and initiative on the part of the enterprises will make it possible, given the proper use of incentives, to ensure closer conformity of production to the requirements of society.

The new system of management is aimed at creating an economic climate in which the workers, when taking relatively independent decisions concerning their production program, will have the maximum material incentive to work for the fullest possible satisfaction of the requirements of society and make the most effective use of both labor and means of production. The enterprises will have this incentive if they are expected to cover their expenditure on reproduction from their own returns. Moreover, the dynamics of returns should reflect both the dynamics of the real value of the goods sold as well as the measure to which they meet the demand. This implies cost accounting in its true Leninist sense.

The new system aims at ensuring that enterprises and their workers have a stake in the newly-created value of the output sold (income from sales after deductions for raw materials and depreciation). Besides the basic deduction for the state of a percentage of gross income or profit planned for a long period ahead, the enterprise will draw on its income to cover other commitments, such as repayment of credits, interest, fines, etc. It is proposed that part of the funds for capital expenditure on modernization and partly on further development allocated under the five-year plan will take the form of credits to be repaid from the plant's income. The income of the enterprise will also be drawn upon to cover the so-called deductions from production funds, assessed in proportion to the net value of both fixed and working capital. The balance, after the above deductions, remains at the disposal of the enterprise to be used to augment the technical development fund and the reserve fund, for minor investments in the enterprise, and primarily to replenish the *general fund for remuneration of labor*.

The latter fund will be used in keeping with the present regulations for basic wages and bonuses for fulfilment of quotas, as well as for additional bonuses and special premiums. The performance of the enterprise will have a direct bearing on the size of this fund inasmuch as it will depend on gross income. More effective use will thus be made not only of allocations for capital construction, but also of the fixed and turnover production funds, primarily because the above-mentioned deduc-

tions from the production funds will directly affect the size of the fund for remuneration.

The additional bonuses will be differentiated, depending on the performance of the workers. In addition to the ordinary extra bonuses, special premiums depending on the annual showing are envisaged.

Economy of labor will increase the reward accruing to each worker (and also the basic deductions from the gross income in favor of the state). There will obviously no longer be any need to determine by directives from the top the size of the wage fund and the number of workers employed in the enterprise, all the more since deductions from gross income for this purpose and the corresponding regulations will ensure an economically justified movement of wages.

Certain wage differentials are bound to emerge between enterprises in the same industry depending on their performance. We feel certain, however, that the material gain accruing to efficiently operated enterprises and the best workers, just as the material loss incurred by bad management, will have a salutary effect on the economy. Extensive political work of course will have to be conducted among the working people to help everybody to understand the need for this wage policy. At the same time there should be due differentiation in the enterprises as regards the additional bonuses, since not all workers will make the same contribution to the overall showing.

The new system implies a freer movement of manpower between different branches of industry and different enterprises. Although substantial shifts in the distribution of the labor force will be planned long in advance, in individual cases the decision will rest with each worker, or with the management and the trade unions. It hardly needs saying that in socialist society where the object of economic endeavor is better conditions for the working people, an economically necessary switching of workers from one sector to another cannot be done at the expense of the workers. Unemployment is ruled out both theoretically and practically. In the event of a worker being released from one or another enterprise the organs of people's power (National Committees) in co-operation with the enterprise will provide him at once with other employment. Moreover, the socialist labor code now being drawn up stipulates that necessary changes from one job to another shall not be to the detriment of the worker's standard of living, and he shall be fully provided for in the interval between jobs.

To provide the enterprise with the incentive to meet consumer demand to the fullest possible extent, its income from sales—the decisive factor determining gross income and consequently the remuneration of the workers—should be a precise measure of the degree to

which the market demand is met. Hence the new system provides for radical change in supplier-consumer relationships. In concluding agreements between supplier and consumer plants, not only will the role of state plan indices be restricted or reduced to nil, the consumer will have a much bigger say. In other words, the consumer plant will by and large be in a position to choose its supplier and to go over to different materials, change technological processes and even to amend the production program if what the supplier plant offers is not to its advantage. In each economic effectiveness will be the criterion. At the same time the administrative and legal regulations now being elaborated will rule out the possibility of a consumer plant being forced to accept products it does not want. Lastly, the principal consumer plants will be represented in all joint bodies empowered to decide basic questions connected with the development of a given branch of industry, including special remuneration of top executives. This, too, will heighten consumer control over production. In these circumstances material incentives connected with gross income or profit of enterprises will undoubtedly help to gear production programs to the market demand.

We have already mentioned the fact that the proceeds from sales should correspond to the actual created and realized value. In short, prices should harmonize with the socially necessary expenses of production. The new system underscores the role of prices, which should help to channel production along lines expedient for the whole of society. In this connection a particularly important part will be played by the wholesale price reform now being prepared which should make for a relatively integrated price structure based on the socialist prices of production. All changes in wholesale prices are to be effected according to a comprehensive plan.

Fixing of prices, however, should be flexible. Prices for the new and modernized goods, and also for goods in great demand, should be fixed, temporarily, higher than price of production, and, conversely, prices for obsolete goods or those for which there is little demand, should be below the price of production.

It goes without saying that in Czechoslovakia with its vast nomenclature of output flexible prices cannot be fixed by one central body. On the other hand, arbitrary price formation cannot be countenanced. Therefore the new system provides for three categories of prices: fixed prices, limited prices and free prices.

Fixed prices will be set by the central planning body for the most important items — the principal raw materials, fuel, electric power, the most important types of machines and industrial equipment, staple foods and manufactured consumer goods. For goods in the limited price category the central body will set the maximum and minimum boundaries

within which the supplier plant fixes the sale price by mutual agreement with buyers. The third group takes in articles of minor importance from the standpoint of economic progress and the standard of living; here the prices are to be set by agreement between the supplier and the consumer plant, or determined by supply and demand.

The state will unquestionably exert the decisive influence on the dynamics of prices through the centrally regulated fixed and limited prices, and also through general regulations and systematic control of prices and quality, without, however, affecting their role as an economic lever or restricting the necessary flexibility of price movement. In this way price policy combined with incentives will encourage enterprises to search for the most rational solutions.

Clearly, full utilization of commodity-money relations, introduction of essential regulations and the employment of such levers as the gross and net income of enterprises, prices, credits and interest, deductions for the state from the income of enterprises, wages, bonuses, etc., will help to overcome by economic means the non-antagonistic contradictions which, objectively, still exist in the socialist economy, primarily the contradictions between different enterprises and also between the enterprises and the central bodies. Consequently, what is in question is the full implementation of the principles of harmony and unity of the interests of society, of the enterprises and of the individual workers. This will accelerate the harmonious, effective, all-round economic progress of socialist society.

* * *

The new system obviously cannot be introduced overnight in all its aspects. It is proposed to prepare the ground gradually in the course of 1965 and to introduce the new system as of January 1, 1966. In the meantime a number of enterprises are conducting experiments to ascertain some of the concrete advantages accruing from it or to find ways and means of improving on the original propositions. Due attention is being paid to the limited experiments successfully conducted in 1964. Moreover, this year will be used to prepare the production base organizationally, primarily by establishing industrial directorates taking in all the enterprises in their respective branches. Then there is the methodological and juridical groundwork to be laid. The basic task of the year, however, is the compilation of the plan for 1966 and a long-range plan for 1966-70. As was pointed out at the meeting of the Central Committee, the functioning of this system will depend on the long-range plan now being drawn up in accordance with its principles.

We have attempted to give some idea here of how the new system is being prepared and how it will operate. But it would be a mis-

take to regard it only from the economic angle. There is no doubt that it will have a big socio-political significance. The idea is to accelerate the advance of socialist society and to create conditions for giving full scope to the initiative of individual workers and working communities.

Sadly mistaken are those Western writers who assume that the new system is exclusively a matter of using material stimuli, of underscoring individual inclinations and requirements, of abandoning the basic principles of comradely team work in the interests of society as a whole. If we lay the emphasis on the need to make full use of incentives and of individual initiative and the initiative of working communities, this does not mean that we deny the enormous role of emancipated initiative, of a conscious, socialist attitude and of the moral factors that have taken shape since the expropriation of private property and the abolition of the capitalist mode of production in our country. We are firmly convinced that if proper use is made of material stimuli, which in past years were employed inadequately and not altogether correctly, then all the moral stimuli of socialism will also operate far more effectively.

Further, it would be a mistake to see in the new system an attempt at automatic regulation of economic processes in which man

and the community play no appreciable role. On the contrary. The creative activity of men and communities is the main motive force which, given the proper objective preconditions, paves the way to economic advance and further social progress. Hence it should be stressed that the new system will provide new opportunities for a more vigorous and creative approach to the solution of economic problems. What is in question is the deepening of democracy in the economic sphere as a basic component of the general development of socialist democracy to which such a powerful impetus was given by the Twentieth Congress of the CPSU.

The overwhelming majority of the people of Czechoslovakia repose great hopes in the new system. We know that progressives everywhere evince a keen interest in our quest for new ways of advancing the economy. And we also know that the enemies of our social system are watching our every step, seeking by distortion and misrepresentation of facts, especially in the ideological sphere, to injure the cause of socialism everywhere. But, as in the past, their designs are doomed to failure. We are confident that we shall achieve a still faster rate of growth, ensuring the prospering of our economy and society generally and thereby making our contribution to world peace and socialism.

Credits for small farmers in Cuba

ANTERO REGALADO

THE CREATION OF A farm credit system serving the peasants and free of all red tape was one of the first problems tackled by the Cuban revolution.

While proceeding with the agrarian reform (abolishing latifundism, transferring gratis to the tenant farmers, sub-tenants, sharecroppers, *colonos* and squatters the land they tilled, and promoting joint sugar-cane growing on the publicly-owned estates and in cooperatives established on the big plantations), the leaders of the revolution saw to it that the country's 200,000 small farmers were given the financial aid they needed to get on their feet.

Nor could it be otherwise. The agrarian reform was carried out not only to relieve

more than 100,000 peasant families of exorbitant rents and to release the sharecroppers from the obligation to surrender up to one-third and more of their crop to the landlords; it aimed also at putting an end to the exploitation of the tillers of the soil by the middlemen and purchasing agents who bought their produce for next to nothing, at releasing the farmers from debt slavery to the latifundists, big merchants and usurers who would charge interest on loans running up to 30 per cent annually, and, finally, at banishing backwardness, poverty and hunger from the countryside.

After the fetters of latifundist exploitation had been smashed, the prime need was to give

the peasants access to education and medical aid, and to help them financially to make the best use of the land they had so long fought for and thus play their full part in supplying the population with food, and industry with raw material.

AGRARIAN CREDIT BEFORE THE REVOLUTION

Since more than 80 per cent of the Cuban peasants had to turn to loan sharks, who shackled them hand and foot, the revolutionary government clearly had to take immediate action. Hence Article 49 of the Agrarian Reform Law of May 17, 1959, which stipulated that "the National Agrarian Reform Institute shall establish an Agricultural Credit department."

This was a necessary measure even though a credit bank had existed in Cuba for a number of years—the state Agricultural and Industrial Development Bank, founded in 1950, which also granted credits to farmers. At the time it was a step forward since previously farm loans had been wholly in the hands of the private banks, merchants and usurers. The bank's operations, however, bore the stamp of the capitalist society which gave rise to it and which it served.

The bank was established and controlled by people who carried out a capitalist financial policy. Even the classification of credits was purely capitalist. For example, loans for land reclamation, for farm buildings and purchase of machinery, implements, livestock, etc., went under the heading "investment credits," while those for operating costs, wages for farm hands, and purchase of fertilizer, seed and fuel were classified as "working capital."

The bank granted loans not exceeding 60 per cent of the estimated value of the crop at an annual interest rate of eight percent, and secured on future crops and on immovable and movable property.

Before the revolution and the agrarian reform very few small and middle farmers had access to state credits. The directors of the credit bank had no desire to loan money to the peasants generally since this would have meant breaking down the system of debt bondage imposed by the latifundists, usurers, middlemen and the exploiters.

The bank was an instrument in the hands of the latifundists and rural bourgeoisie, to whom credits were extended on advantageous terms while all sorts of obstacles were created to prevent the small farmers from availing themselves of state loans. This compelled the latter to turn to private lenders charging exorbitant interest, up to 30 per cent annually, and place themselves at the mercy of the wholesale buyers and other middlemen.

When the bank was first established politicians tried to foster the illusion that it repre-

sented an element of "agrarian reform" which would save the peasants from being fleeced. Thanks to the work carried on by revolutionaries, the peasants soon saw through the deception and sized the bank up for what it was really worth.

In the eight years of its existence the bank organized 13 so-called rural credit societies. Ostensibly "cooperative" organizations, they granted credits on the conditions that at least five per cent of the loan was put in shares in the given association. Besides this deduction from the principal, the recipient had to pay eight per cent interest on the whole sum.

These credit societies had a membership of only 12,000 farmers, including rural capitalists, while the total number of recipients of loans did not exceed 30,000. Only 15 per cent of the loans went to the small farmers.

Thus the credit bank never intended to make state credits available to the masses of peasants and still less did it seek to free them from the stranglehold of the big exploiters.

CREDIT AFTER THE REVOLUTION

In pursuance of the Agrarian Reform Law, the revolutionary government incorporated the old credit bank in the National Agrarian Reform Institute early in 1960. A Department of Agricultural and Industrial Credit was established as one of the first steps in extending financial aid to the peasants.

The technical experts and other personnel of the credit bank were taken over by the new department where under the direction of a new leadership they began working to make credits more easily available to all peasants. But the department was too slow in extending its services to all parts of the country, and because it clung to the old methods involving considerable red tape and insisted on the peasants providing excessive security, it was not effective enough. In view of this, the revolutionary government abolished it a year later and set up a Credit Department under the National Association of Small Farmers. Prime Minister Fidel Castro's decision to put the peasant leaders in charge of agricultural credit was prompted by the urgency of the small farmers' need of financial assistance. At the same time the revolutionary government pointed to the need to act without delay on the loan applications of peasants with holdings of five caballerias or less (1 caballeria equals 13.4 hectares). Those with bigger holdings were to apply directly to the National Bank.

A year later the Credit Department of the Association of Small Farmers had 22 regional, 33 local, 6 zonal and 6 provincial branches besides a central credit office. The local and zonal offices were subordinated to the regional branches, the entire network being designed to ensure direct contact with the peasants.

COMBINING TECHNICAL KNOWLEDGE WITH REVOLUTIONARY PRACTICE

The new Credit Department was organized with a view to combining the technical and administrative experience of agricultural experts and the personnel of the former Agricultural and Industrial Development Bank and the Credit Department of the National Agrarian Reform Institute with the revolutionary practice of the peasant leaders.

The head office laid down the procedure to be observed by the local branches. Applications for loans were to be examined first by the leaders of the peasants' associations or credit and service cooperatives of which the applicants were members. From the local organizations of the Association of Small Farmers the applications were to go to the credit committee of the given local association or cooperative for an opinion and then passed on to the credit office concerned.

Loans were classified as either development credits or production credits. The first type, repayable over a period of more than one year, was for extending the cultivated areas, acquiring the basic means of production, dairy cattle, etc. Production credits, used for the purchase of seed and fertilizer, for cultivation and harvesting, were to be repaid in the course of the agricultural year or after the crop had been sold.

In considering loan applications, the peasants' associations and credit and service cooperatives usually go by the size of the applicant's holding, the cultivated area and production plan, the essential expenditures on cultivation, seed, fertilizer, etc., and also the crop prospects.

The local credit offices were empowered to issue loans of up to 2,000 pesos, the regional offices up to 10,000 pesos, and the provincial offices from 10,000 to 15,000 pesos. Peasant delegates take part in the work of these offices together with agricultural experts and accountants.

OVER 200,000 RECIPIENTS OF CREDITS

Besides the above-mentioned considerations, the credit offices also take into account the general circumstances of the applicant. Contrary to the practice under capitalism, no guarantees involving mortgaging property or promissory notes are required. The farmer in need of financial aid for production purposes is not regarded as a potential swindler. So far the revolutionary government has given such aid to more than 200,000 peasant families (exclusive of sugar-cane growers, who from the outset received financial aid directly from the National Bank) on the basis of the production potential and solvency of the applicant judged by the amount of produce he can raise for the market. Repayment of loans is proceeding without any hitches.

The sum of the credits is set at up to 80 per cent of the value of the crop, at four per cent interest for loans of less than 5,000 pesos, and six per cent for bigger loans. Farmers belonging to credit and service cooperatives pay 3.5 per cent interest and members of agricultural associations three per cent.

At first inexperience led to mistakes. In some cases, hasty decisions were made. For example, credits were granted for a specified crop which exceeded the actual crop or its market value. These mistakes were soon corrected, however, and credits were granted in conformity with investment needs and the planned output, thus ensuring repayment.

The Credit Department of the National Association of Small Farmers, established to implement the principles of the revolution, made financial aid available to small farmers even in the most remote areas, thereby enabling them to free themselves from the clutches of the usurers.

By promoting farm production the department has played a useful role in increasing the national income. Moreover, it saved time and money for the farmer who no longer had to apply personally at the credit offices, besides ensuring him the aid he needed when it was wanted.

THE NATIONAL BANK

Although the work of the Credit Department of the Association of Small Farmers was successful by and large, the national leadership of the Association, meeting a year later, in May 1962, posed the question of concentrating the entire farm credit system in hands of one organization and decided to begin discussions with the National Bank on how the department could best be brought under its jurisdiction. It was pointed out that in the event of this being done the National Bank or its farm credit department should adhere to the rules and procedure observed by the Credit Department of the Association.

This decision was motivated by the fact that the administrative work involved resulted in the "Association of Small Farmers having to handle, besides the political and social problems of the countryside, a multitude of other tasks which take up the time of the best activists and leaders of the Association, in effect preventing them from working systematically to solve economic, political and social problems. As a result, the Association has to some extent neglected the duties devolving on it as representative organization of small farmers founded to lead them to socialism through the worker-peasant alliance."

The work thus undertaken to separate the administrative and socio-political functions of the Association was completed by the end of 1963.

It may be asked whether it was a mistake for the Association to undertake the alloca-

tion of credit. The answer is no, for our organization only gained by it in the tactical respect, not to speak of the beneficial effect which the allocation of credits among the small farmers (those with five caballerias of land or less) by their own organization had in 1961.

When Comrade Fidel Castro decided to entrust this work to the Association, he did so because it was imperative to make credits available to all peasants. The banks at that time were not in a position to cope with the task, for they were still in the process of reorganization and lacked sufficient personnel dedicated to the revolution. It was necessary, then, for a revolutionary organization to inject new vitality into the sphere of credit, to do away with formalism and red tape and to give the peasants the assistance which the revolutionary government could and was duty bound to render in order to increase agricultural production.

When this decision was taken early in 1961, Fidel Castro was guided not only by these practical considerations but also by the political implications. Credits to the peasants were the best proof that the Association of Small Farmers was the champion of their interests. The peasant needed financial aid to till his land, and to get it not from a state body but from his own organization. The Association, however, always regarded this as a temporary function. As soon as it had carried out the immediate task in conformity with the aims outlined by the leadership of the revolution and the National Bank had been organizationally consolidated, the correct and necessary

thing to do was to transfer all farm credit functions to the latter.

In the year in which the National Bank has attended to the allocation of farm credits it has not only preserved the flexible set-up worked out by the Association but has proceeded further along the same lines, setting up new branches in the more remote mountain regions of the Sierra Maestra, the Second Eastern Front and Baracoa. Proof of the consistent policy pursued towards the small farmers is the decision taken by the revolutionary government to compensate for the damage caused by the hurricane Flora which ravaged the Oriente and Camaguey provinces, by deducting the losses from the balance due on their debts.

The work done throughout these years in the sphere of financing the small farmers is evidence of the soundness of the government's agrarian policy, which has always recognized the small farmer as an important economic factor and an ally of the working class in building socialism.

The agrarian reform, the effective implementation of a correct price policy, promoting education and health services in the rural areas and a credit policy which has given the peasants the wherewithal to run their farms—all have helped in abolishing exploitation, backwardness and poverty in the Cuban countryside. In the six years since the revolution, output of the peasant farms has risen substantially, the conditions of the peasants have improved and the worker-peasant alliance has grown stronger; this alliance is the guarantee that the constructive program of our socialist revolution will be carried out.

Panama and U.S. imperialism

VALERIO SIRES

ON JANUARY 9, 10 and 11, 1964 the U.S. military brutally attacked Panamanians who wanted to see the national flag flying in the Canal Zone.

Whereas the politically conscious people in our country always realized that the U.S. occupation of the Canal Zone shackled and hampered the development of Panama, the majority of the population had, until the January events, illusions regarding the real nature of U.S. imperialism. Through a veritable barrage of propaganda designed to create a false image of the "great northern nation," the imperialists were able for a long time to mislead people and, consequently, to retard the revolutionary process in the country.

DESPITE THE ASSERTIONS

The *first false assertion* by imperialist propaganda was that the establishment of the republic of Panama in 1903 was the result of a telephone call from Washington, that if it were not for Washington the Panamanians would never have gained independence from Colombia. The local separatist movements, which started before November 1903, and which were inspired by the desire for national independence and progress, were never mentioned.

Although we succeeded in breaking away from Colombia, we did not achieve complete independence.

The U.S. imperialists cashed in on the separatist movement, reduced the secession from Colombia to a matter of securing nominal sovereignty and then imposed their policy of plunder and violence through a typical predatory treaty. However, if the people of Panama had not fought for their national

rights in those years the imperialists, undoubtedly, would have tried to turn our country into a "lawful" colony, or into another of their states.

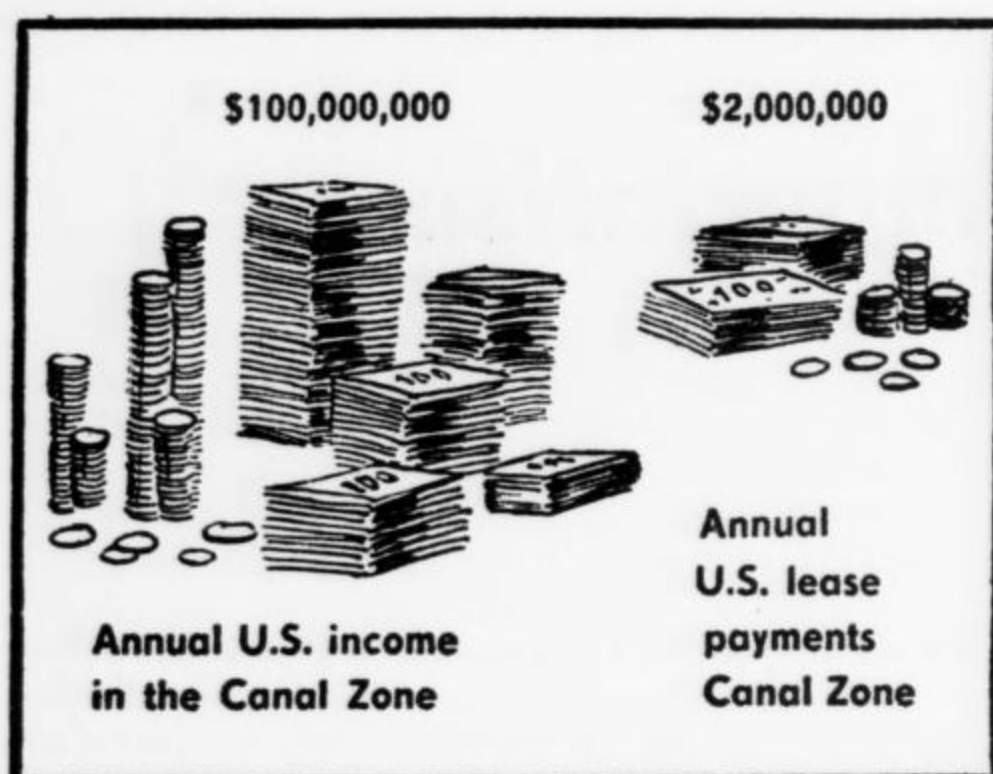
The *second false assertion* of the Washington propaganda is that Panama exists thanks exclusively to the Canal, that without the revenue from its exploitation our people would be in a bad way. In reality the Canal, far from being the largest source of the national income, has retarded industry and has crippled the economy. Even a cursory acquaintance with the real state of affairs proves this.

The Canal Zone occupies a territory of 143,200 hectares. Besides controlling a major international waterway, the United States owns the towns, military bases, airfields, launching sites and ocean ports (the 1903 Treaty deprived Panama of the right to have its own international ports). It pays Panama a paltry \$2 million annually for the lease of the Canal.

The Treasury receives another \$39 million (the wages of those employed in the Zone) for supplying labor. Thus, total revenue from the Canal is \$41 million annually. Panama's national income, however, exceeds 427 million balboas (1 balboa equals 1 dollar). Even the country's backward agriculture yields a much bigger revenue than the Canal (113 million balboas). The as yet poorly developed manufacturing industry yields 56 million balboas and trade 61 million balboas, not to mention other minor sources of revenue. In other words, the \$41 million received from the Canal accounts for a mere 9.5 per cent of the national income.

The North American imperialists make a profit on literally everything: on U.S. postage stamps, on the sale of water and electricity in Panama City and Colon, on the water, fuel

and other supplies to vessels in transit and, last but not least, on Canal tolls.



The Americans have sold all the valuable timber in the Canal Zone. They grow crops in it; they have their own orchards, factories, cinemas, etc. In 1955 they prevailed upon the Panamanian Government to annul the tax on liquor sold in the Zone. This tax was the equivalent practically of the "increase" in the annual rental which the USA undertook to pay in 1964.

In addition to these privileges the U.S. Government monopolizes, through a number of other agreements, Panama's airlines (it indirectly controls the national airport at Tocumen) and radio network. And it does not pay a single cent for all these privileges.

In short, the Canal Zone yields the United States an annual profit of close to \$100 million.

These facts refute the allegation that Panama owes its existence to the Canal. Our people have waged a long struggle to end imperialist domination, to win complete independence, this time from the United States, and become the sole master of their waterway. Only then will the Canal really become a major source of national revenue.

Our national emblem bears the inscription "For the Benefit of the World." Until now, however, the Panamanian Isthmus' principal source of wealth is used not for the benefit of the world but for that of the U.S. imperialists.

The *third false assertion* is that the United States is the loyal ally of Panama, its good neighbor and well-wisher, that the United States has given us not only our independence, but also our cultural and even the public health service. The purpose of all this is to convince us that Panama's prosperity and

well-being depend on the alliance with the benevolent North American capitalists.

At the same time we are told that the socialist world is our mortal enemy, that Marxism is a dangerous microbe, that the Cuban revolution is the plague. As is the case elsewhere in the world, imperialist propaganda in Panama persists in identifying socialism with backwardness and tyranny. According to this propaganda, the Korean war was waged "in defense of Western civilization," and the aggression in Vietnam is intended "to save the Catholic religion" and defend the country against "yellow imperialism."

YEAR OF STRUGGLE

All these assertions were exposed to the hilt during the January events of 1964. The world witnessed the valiant struggle of our people, who were determined to win their liberation. Confronted with the barbarous aggression by U.S. armed forces, even the oligarchic Chiari government was forced to break off relations with the United States.

The January events were a landmark not only in the national liberation revolution in our country. The Panamanian people struck yet another blow at imperialism undermining its prestige still further. The blood that flowed on the streets of Panama and Colon showed the true worth of U.S. gestures. The illusions regarding the Alliance for Progress were shed.

The events of those three days in January 1964 did more than the thirty years of struggle preceding it to expose the brutal character of the "good friend" not only in the eyes of the militants, but also in the eyes of the entire people, certain bourgeois circles included. Those three days brought home to the people as never before that the struggle for national sovereignty over the Canal Zone and for abrogation of the shackling 1903 Treaty was the only true road to follow.

However, the Chairi Government, which at first broke off diplomatic relations with Washington and demanded its condemnation in the United Nations, afterwards began to retreat and to come to terms with the aggressor. In particular, it agreed to submit the matter to the Organization of American States (OAS) which, as we know, is the colonial agency of the United States. While the yesmen in the OAS were quick to "detect" weapons in Venezuela and to take repressive measures against Cuba, they turned a blind eye to the U.S. aggression in Panama. The anti-Cuban stand taken by the Panamanian ex-Minister of Foreign Affairs at the OAS conference was truly humiliating.

Under the impact of the January actions the Chiari Government appointed a committee to discuss the question of a new treaty with the United States. The people on their part formed a National Committee for National Sovereignty under the chairmanship of Jorge Illueca, later appointed by President Chiari to represent Panama at the treaty talks.

In October a new government took office in Panama. Owing to the election swindle and the absence of political unity, the oligarchy were able to "elect" their candidate. The new president, Marcos Robles, faced with financial difficulties and an economic crisis (which is worsening because of the virtual blockade imposed by U.S. imperialism after the January events), announced his intention of introducing "reforms" through the Alliance for Progress and U.S. loans.

As might have been expected, the new Government obediently responded to the U.S. policy of the stick and the carrot. Its first step was to remove the members of the committee set up to negotiate with Washington. Although not representatives of the people, these members were not the yesmen of the oligarchy. The diplomatic vacillation of the administration reached a climax last November when the Ministry of Foreign Affairs decided to delete from the draft agreement the clauses essential to the country's sovereignty. In other words, it was a new phase in the policy of betrayal of the national interest. The people again came out onto the streets, but this time they were opposed by the Panamanian police. Such was the logical outcome of the government's policy of capitulation.

DIFFICULTIES OF THE STRUGGLE FOR NATIONAL INDEPENDENCE

However, the national consciousness of our people is such that the ruling circles cannot risk juggling with their destiny and ignoring the sovereign interests of our country. Hence the Government's subsequent decision to reconsider its attitude and to appoint a new committee for negotiations. While the situation in Panama is in many respects similar to that in the other Latin American republics, a closer examination will show that it is much more complex.

Our people not only have to rid themselves of imperialist oppression exercised through the U.S. monopolies United Fruit, Fuerza y Luz, Panama Boston Cocoanut (a latifundium covering an area of 250,000 hectares) and other companies (U.S. investments total \$1,000 million). The United States also occupies the Canal Zone which, economically, is

the most valuable part of our territory. Here U.S. laws operate and also the U.S. educational system; racial discrimination is practised. The Zonal authorities have the right to expel Panamanian subjects. In short, Panama is partly occupied by a foreign power. The Panamanian national-liberation movement therefore has certain features of the anti-colonial movement.

The People's Party of Panama (Communist Party) has charted the road along which revolution can be carried out. The only solution seen at present is the transfer of power to the people—workers, peasants, forward-looking intellectuals and the middle sections and groups of the bourgeoisie who want radical reforms. Considering the realities of the present situation, it is doubtful if these reforms can be achieved the parliamentary way.

The resolutions of the Party note that while imperialism remains the No. 1 enemy of our people, the chief task now is to abolish the power of the enemy at home—the corrupt and treacherous oligarchy.

In the opinion of our Party, the national-liberation revolution in Panama will pass through two stages. In the first stage the task will be to set up a national, democratic, people's government which will consistently carry out an agrarian reform, pursue an independent foreign policy, do away with corruption, take vigorous steps to develop the national industry and embark on deep-going economic and social reforms.

It is extremely important in the first stage to pursue a policy of unity, of an alliance with all the forces interested in these changes (irrespective of their ideology). The Party resolutions state that only a revolutionary, people's government uniting all segments of the nation opposed to the oligarchy will be able in the second stage of the revolution successfully to combat the U.S. and its monopolies, to remove the imperialist ulcer and pave the way to nationalization of the Canal.

This does not mean that the anti-imperialist struggle is being postponed. On the contrary, it is being intensified. But the People's Party does not subscribe to the thesis that an end can be put to imperialist domination in our country under an oligarchic government. The anti-imperialist movement developing in Panama today with the active participation of the masses correctly combines the struggle against foreign rule with the struggle against the home oligarchy. The immediate aim of this struggle is to deflate the oligarchy, compel it to show itself in its true colors as the direct agent of U.S. imperialism, and thus shorten its days. The ultimate aim is to

achieve the complete liberation of the country. To this end the Communists will use all forms of activity.

The question arises: Will not imperialism intervene in the event of the downfall of the oligarchy? Look what happened in the Congo and in South Vietnam, in Venezuela and in Colombia.

Our answer is that imperialism will find it much harder to carry out naked intervention if it encounters a united people. The Communists are particularly interested that the revolution be seen not as a gamble or a Left plot, but as a many-sided national mass process. Hence the Party's policy is to create a broad popular movement closely united around the revolutionary vanguard.

The January events of 1964 showed that a considerable part of the middle sections, and also some of the more privileged groups, who for a long time had served imperialist interests, have joined forces with the people.

The January events showed that the issues on which Catholics and Communists see eye to eye are more numerous than those on which they differ. Even part of the National Guard sided with the people at the time, although the military leaders associated with the Pentagon did everything to prevent this.

The People's Party realizes that the main responsibility for the destiny of the Panamanian revolution rests with it. In conditions when imperialism has a powerful military and economic foothold in the country it is essential for the Party, when analyzing the specific features of the internal situation, to take into account the overall world situation. True revolutionaries cannot afford to ignore the modern military techniques, and the repressive machinery of North American imperialism, whose army is stationed in the very heart of the republic. They cannot afford to make light of the experience accumulated by the imperialists, especially after Cuba. Equally, they cannot fail to take into account that the armed forces of the reactionaries at home are being reinforced and that the National Guard is being modernized. The Guard's core is undergoing special training to combat the patriotic movement.

The Party concentrates on mustering forces, on strengthening its contact with the masses. The high level of anti-imperialist activity of the people is facilitating this.

In this process the interests of all the democratic forces participating in the anti-imperialist and anti-oligarchic struggle are being taken into account. The situation does not as yet allow for the establishment of a national liberation front. But this notwithstanding, all

the unity actions are directed towards this end, as is the Party's work in the Students' Federation, a militant organization with strong anti-imperialist and anti-militarist traditions.

Although there is no national trade union center in the country, the unions have acted in a number of cases under the banners of national organizations such as the National Committee of Struggle for a Minimum Wage. A big role is played by the two unions of the workers employed on the banana plantations (on the north coast and the south coast). The militants in these unions won big successes in the recent elections.

The work carried out among the peasants generally and among the Indian peasants in particular has yielded good results, expressed in the formation of the Federation of Peasant Leagues in the Veraguas province. Under the impact of the January actions, committees for the restoration of national sovereignty were formed in many parts of the country. A congress of these committees decided to set up the National Committee for the Restoration of National Sovereignty.

As a result of the policy of unity of the democratic forces, two representatives of the Left, the Socialist Zuniga and the trade union leader Shuverer, were returned to the National Assembly in the May 1964 elections.

A year after the aggression of January 1964 the new government finds itself saddled with a political as well as an economic crisis.

The economic position is deteriorating. The production of rice and beans, the staple food, is declining. The deficit in the trade balance with the United States exceeds \$80 million. (The main items of export—oil products and bananas—are the property of U.S. companies.) The state debt totals \$126 million. Of this sum it owes \$58 million to the imperialists, the remainder to creditors at home whom the Government is trying to pay with bonds guaranteed by U.S. loans (a vicious circle indeed). Unemployment is growing, a fact which is viewed with particular apprehension in view of the rapid population growth.

In the Government there are sharp differences regarding the ways and means of resolving the present economic crisis.

It hopes through its new tax reform to secure an additional \$10 million in 1965 which, together with U.S. loans, could help to avert a financial crash and make for a degree of political stability.

The Rights are bitterly opposed to the tax reform which, they claim, impinges on their interests too much. In reality, however, this reform by-passes the local latifundia and the

U.S. monopolies. President Marcos Robles declared in this connection: "I am up against powerful interests . . . I need popular support." Meanwhile, trying to appease the representatives of these interests, he is yielding to U.S. pressure and suppressing student actions by force.

Thus, faced with an upsurge of the democratic and anti-imperialist struggle and at the same time with a grave economic crisis, the Government's position is becoming increasingly precarious. Should it take a more or less firm stand against imperialism, it may increase the danger of a military coup. On the other hand, should it yield to the U.S. there is the danger that it will be overthrown, this time by the people.

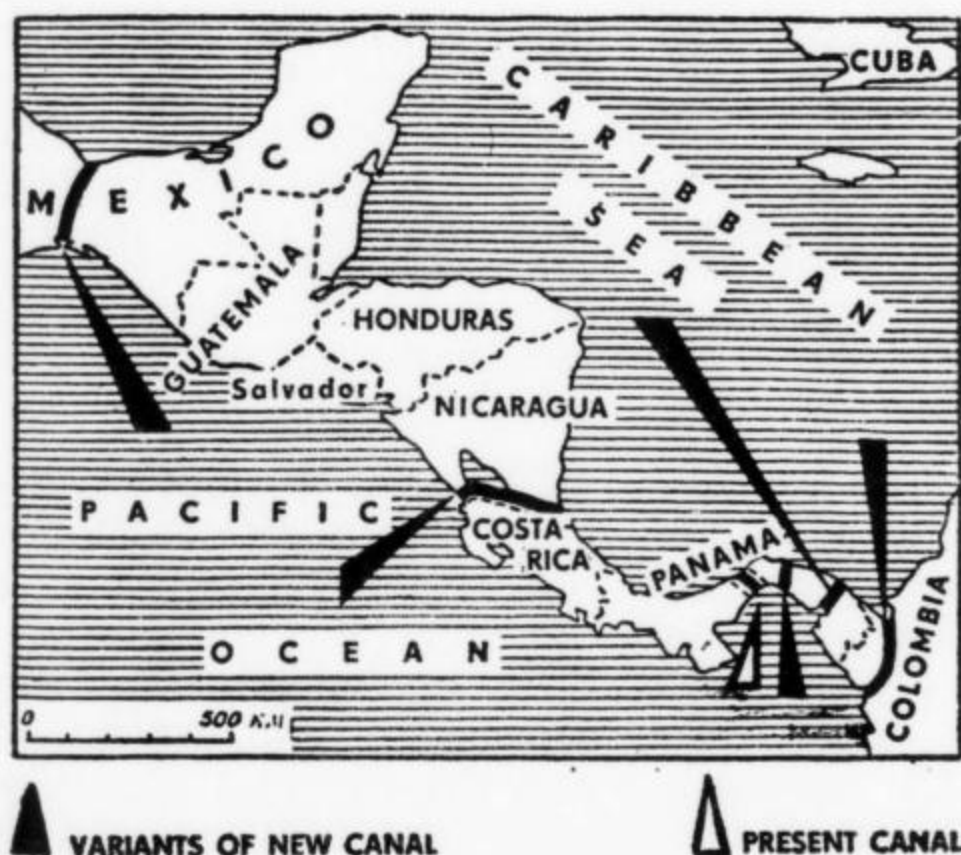
IMPERIALISM RESORTS TO BLACKMAIL

Confronted with this complex situation, the imperialists are resorting to the old game of blackmail. The initiative for talks about a possible revision of the 1903 Treaty came, as we know, from Washington.

The question is asked how to explain this initiative when by all the laws of logic it should have come from the Panamanian Government.

The riddle is easily solved. The United States knows that it has little to lose in talks with oligarchic governments concerning a new agreement. What is more, and this is the most important thing, it knows that the Canal is no longer up to modern requirements. The talks, then, were a cloak for its real intention, namely, to build a sea-level canal on the territory of Panama.

Why is the U.S. Government prepared to discuss revision of the 1903 Treaty only after the new canal has been built, i.e., sometime in 1980?



Because it is one thing to discuss the matter with an oligarchic government in a "peaceful" situation (recall the revision of the Treaty in 1955 at the time of the Remon Government) and another after the aggression of January 1964, when the people are closely watching events and the liberation movement is on the upsurge. The people are now acting as an independent force and they are not likely to accept just any kind of agreement.

Hence Washington's statement that it will not discuss the question until "calm" prevails in Panama (as a result of repressions or a coup) and that it may build a sea-level canal in another country.

This is sheer blackmail, but blackmail prompted by the absolute necessity for the imperialists to build a new canal.

If the U.S. decides to build a canal in another country, thinking that in this way it will starve our people, it will but accelerate events leading to sweeping changes. The oligarchy will not be able to cope with the crisis caused by such a step. On the other hand, no matter where Washington decides to build the new canal on their terms, whether in Mexico or Nicaragua, Costa Rica or Colombia, it will be sure to encounter the resolute resistance of the people.

The year 1980 is a long way off, especially considering the fast-spreading influence of the socialist world, on the one hand, and the deepening crisis of imperialism, on the other. Time is on our side. Surely the clock is not going to stand still until 1980? Surely all the signs herald the approach of major changes on a world scale?

The complex problems connected with the Canal, and the need to open the waterway to vessels of all nations have suggested the proposal to internationalize the Canal. As things are at present, however, this would presuppose control over it by the U.N. or by those entitled to use it. But considering the way the U.S. voting machine operates in the U.N., it is obvious that in either case the introduction of such a statute would be similar to the U.N. operations in Korea or in the Congo. Panamanians are waging a struggle for the return of their country's biggest national asset just as the Venezuelans are fighting for the return of their oil and the Chileans for the return of their niter resources.

The People's Party has stated that it is against the talks to revise the 1903 Treaty at a time when the country is ruled by a servile oligarchy.

Although progressives in Panama are opposed to revision of the treaty by oligarchic governments, they support all concrete de-

mands made to the United States. Thus, if the nations of the world were to adopt a plan of general and complete disarmament this would greatly aid the struggle of the Panamanian people, for the USA would then be compelled to withdraw its military base in the Canal Zone, as proposed by the USSR. The Soviet disarmament proposals, needless to say, fully coincide with the interests of the Panamanians.

THE DUTY OF REVOLUTIONARIES

At a meeting in the autumn of 1964 the Executive of the People's Party adopted a resolution calling for an intensive struggle to prevent the oligarchy from establishing full control over the Marcos Robles Government, resolutely to combat all measures that impinge in any way on democratic liberties, to expose the reactionary nature of the National Guard which is the instrument of the

reactionaries and imperialists, and to alert the masses to the possibility of a coup d'etat. The resolution urges determined action against any attempt by the Government to begin treaty negotiations with the imperialists without consulting the people.

Realization of this political line will strengthen the Party's vanguard role in the national-liberation struggle. The Communists have been tempered in this struggle, their influence is spreading. While upholding their political line and their unity they reaffirm their adherence to the principles of proletarian internationalism formulated in the 1957 Declaration and 1960 Statement. They are working to lead the people along the right road and to avoid reckless haste or opportunist inactivity. They are against senselessly expending their revolutionary possibilities. But they are equally against passively sitting on the banks of the Canal in expectation of the ship that will bear away the corpse of imperialism.

Ecuador: realities and prospects

RICARDO ORTIZ GONZALES

ECUADOR TODAY presents an appalling picture of unemployment, hunger and disease.

It is a country of shanty towns built in the midst of marshes, pitiful huddles of hovels even more forbidding than the Brazilian *favelas*, the Chilean *cayampas*, the Argentinian *villas miserias* or the Uruguayan *cantegrilas*. A country where the vast majority of children have no hope of ever getting an education. A country of Indians suffering from discrimination and ground down under the heel of feudal landlords. Of diseases that take a fearful toll of children.

Such is Ecuador under the yoke of a dictatorship for which arrest, imprisonment and even killing people for their ideas are the normal thing, a model of the "new order" proclaimed by Thomas C. Mann, gauleiter of U.S.

imperialist policy for Latin America.

To obtain an idea of Ecuadorian reality let us turn to the statistics. Here, then, are some figures characterizing the misfortunes which weigh so heavily on our people and struggle against which is the mainspring of our revolution.

I

The population of Ecuador is close to five million, with an annual growth rate of 3.2 per cent. More than half of this number live in rural areas. As for territory, this was substantially reduced with the signing in 1942 of the so-called Rio de Janeiro Protocol, which the U.S. imperialists and the Peruvian oligarchy forced on our country, and now amounts to

284,000 square kilometres or 100,000 square miles.

LAND TENURE: SEMI-FEUDAL RELATIONS IN AGRICULTURE

According to the 1954 agricultural census, 241 estates of over 2,500 hectares each accounted for an area of 1,600,000 hectares, or as much as the total holdings of 329,000 small and medium-bracket owners. Thousands of small peasants have less than two hectares. The best land belongs to a handful of wealthy families, the state, the Catholic Church and foreign companies, mainly United Fruit and Frutera de Austral.

On the average only 10 per cent of the land belonging to the latifundia is tilled, as against 80 per cent in the small holdings. The land is cultivated mostly by hand or with the antediluvian wooden plough. For lack of fertilizers soil fertility is steadily diminishing, and owing to the rapacious felling of forests erosion is causing more damage year by year. For Ecuador as a whole there is only one tractor to every 900 hectares of cultivated land, and even those belong almost exclusively to the foreign holdings and sugar plantations.

Indians, mostly engaged in crop and cattle raising, make up some 35-40 per cent of the population. Their exploitation has been carried to outrageous lengths. The dominant form of labor relationships in agriculture is the *huasipungo* system, under which the landlord gives an Indian up to two hectares of the poorest land to till in exchange for an obligation to work four or more days a week on the landlord's land at a wage amounting to the equivalent of five U.S. cents per day. In some regions the tenant farmers do not get even this remuneration. Economic surveys show that the annual income of an *huasipungero* family of four is a little over \$60 a year, or \$15 per person.

Besides, the *huasipungero* is obliged to perform other forms of labor for the landlord without any compensation. One of these is the so-called "garden duty" — virtual slave labor for 15 days a year. Others are called "household" duties — clearing the irrigation channels on the landlord's land, repairing his fences and corrals, maintaining his roads, carting his produce to the market and tending his cattle.

In some provinces peasants are forced to work without pay even though they are not given any land to till. This happens when a landless peasant marries or an Indian woman gives birth to an illegitimate child (in the landlords' estimate this punishment is the best

way to uphold moral standards on the estate).

But this is not the end of the Indian peasant's road to Calvary. The parish priest collects, just as he did three centuries ago, his tithes (10 per cent plus another 10 per cent on the first harvest) which the god-fearing peasant, anxious to escape eternal torment, feels are more important to pay than the taxes levied by the state. Equally obligatory are donations to the Church during the innumerable religious feasts. Add to this the fees for religious rites. These are one of the most important sources of revenue for the Church which exploits the Indian from birth (christening fees) to the grave (charges for funeral services and a plot of consecrated ground).

As true allies of the feudal landowner and the priest, the civil authorities join in this plunder by imposing all manner of arbitrary fines. Aided by the village policeman, the local representative of civil authority is at once both judge and executioner. Indians are held responsible even for the loss of cattle on the landlord's ranch.

Finally, custom compels every Indian peasant to present eggs, fowl or other livestock to the landlord on Carnival Tuesday, in return for which he and his children are "treated" to homebrew. It is a common practice on the estates for debts to be passed down from father to son. Growing from generation to generation, these debts fetter the Indian from birth, dooming him to never-ending debt slavery.

Then, there are other semi-feudal survivals, such as rent in kind. One variety of this is the so-called "return-the-land" system. The peasant is given a hillside to clear for cocoa bean or for a coffee plantation. He is allowed to keep the harvest for a few seasons, after which he has to turn the land back to the owner at a price set by the latter. The landowner thus acquires profitable plantations without any investment or effort whatever.

There are no schools for teaching in the Indian language. Indian traditions and culture are completely ignored.

So appalling is the plight of the Ecuadorian Indians that even some U.S. groups have found it necessary to step in and pose as their saviors. We refer to the "Andes mission" which teaches the Indians to cook and to build outhouses, to love God and respect their masters, not to speak of instruction in good manners — all ostensibly for the sake of "progress."

An important feature of life in the Indian villages is the survival of the community system. In colonial times the Spanish kings al-

lotted the Indian communities quite considerable land grants. By now the landlords and the Church have whittled these grants down to next to nothing. Still, common ownership of pastures and the communal right to timber and water have remained, as has community effort during sowing and harvesting and when there is a home to be built for one of the members. Traditions of joint struggle against the landlords are also still alive. Indeed, the Indians have often taken up arms in defense of their mode of life and their right to the land and water. We believe these elements of community labor and joint land tenure will play a useful role when the time comes to build socialist relationships in the countryside.

DEVELOPMENT OF CAPITALISM IN AGRICULTURE

Capitalist relations first asserted themselves in the coastal regions with the growing of export crops, the most important of which at present are bananas, cocoa beans and coffee. A further spur to capitalist development in the countryside was given by the rise of the sugar industry. The rural proletariat now numbers tens of thousands, mostly inhabitants of the lowlands. The mountain areas provide a reserve of agricultural labor, for at harvest time thousands of these impoverished highland folk come down from the hills to work for the capitalist farmers who reward them with a mere pittance.

The U.S. monopolies are now mainly engaged in banana growing and oil extraction. Using the Inter-American Cooperative Agricultural Service and other specialized organizations, the foreign companies are promoting the cultivation of crops which bring them lush profits, while retarding the growing of cotton, wheat and other crops. Nor can it be otherwise in view of Ecuador's commitments to purchase U.S. farm surpluses.

As a result home producers are being ruined. The present export price policy is disastrous for our agriculture. Between 1958 and 1962 Ecuador borrowed \$29,100,000 from the USA and at the same time lost \$67,200,000 as a result of the reduction of cocoa bean and coffee prices by the monopolies.

The same situation prevails in banana growing, where the monopolies reign supreme. They own the cold-storage facilities, control the market and fix prices, ruining both big and small home producers and raking in profits running up to 1,000 million sucres annually. In the recent period their profits have soared still more, for after acquiring banana plantations in Colombia the U.S. companies cut the

price paid in Ecuador by half. On several occasions some groups of the rural bourgeoisie have tried to break away from the fetters of the U.S. monopoly-controlled market and to enter into trade relations with European countries, the socialist countries included, but these attempts have been frustrated by the Central Bank whose policy is dictated by the U.S. monopolies. The bank accepts payments for exports only in dollars and pays exporters the equivalent in local currency. Needless to say, this all but rules out trade with Europe.

Smallholders are going under in increasing numbers. The principal role in this is played by loan sharks who lend money with future crops priced far below the market level as security. The so-called development banks, too, batten on foreclosures on the property of farmers who are unable to meet their debt commitments.

FETTERING LOANS

If we balance the level of economic development, the resources of the state and the territory and population of the country against its indebtedness, Ecuador can be said to have mortgaged its income for years ahead. According to data released by the Central Bank, the internal state debt increased in 1962 to 2,398,200,000 sucres, and the foreign debt to 2,700,000,000 sucres. Government payments on principal and interest in 1957-62 amounted to 1,264 million sucres. A substantial part of the credits obtained were extended under the neo-colonialist Alliance for Progress program for financing projects in which the imperialists have a stake, for the upkeep of U.S. experts and for other purposes which in no way promote our economy.

NATIONAL INDUSTRY AND THE WORKERS' CONDITIONS

Our industry is typical of under-developed countries. It consists of textile mills (some of which operate at only half capacity, a few synthetic products factories (tires, etc.) using imported raw materials, flour mills processing mainly U.S. wheat, some oil fields controlled by foreign monopolies, food-processing plants and chemico-pharmaceutical and building materials enterprises. The industrial proletariat is small in numbers, its conditions are appalling and wages are steadily declining.

According to government data per capita income in Ecuador is \$108 or less than 2,000 sucres a year. Many workers, however, are paid much less. The employers (especially in the textile industry) prefer to employ women

and children whose wage rates are far below the average.

CULTURE AND EDUCATION

It is estimated that 1,980,000 people, 44 per cent of the population, are illiterate. In the rural areas illiteracy runs up to 80-90 per cent. According to the Ministry of Education, 22 per cent of the school-age children have no school to go to. In order to provide facilities for half a million children, 12,000 classrooms should be built and another 9,000 teachers trained. Rural three-year schools usually have only one teacher, whose salary is only 800 sucres a month. Dropouts from the first and second grades amount to 79 per cent of the enrolment.

Enrolment in junior secondary and secondary schools as well as in commercial, technical, trade and agricultural schools was only 79,863 in the 1961/62 school year. Nearly half of all educational establishments are private, most of them controlled by the church. But even the public schools are not free, and examination and matriculation fees as well as the cost of school uniforms, etc., are steadily growing. This puts the public schools too beyond the reach of the children of poor families.

Universities are even more inaccessible. The very idea of the children of workers and peasants aspiring to higher education is considered preposterous. There are five state and two private (Catholic) universities and two polytechnical institutes, but their total enrolment does not exceed 10,000. The state subsidies are too small to enable them to engage in research.

At the same time spending on the army and the police is swelling. Although the 1964 federal budget amounted to 3,033 million sucres, or 1,039 million more than in the previous year, expenditure on education increased by only 40 million or four per cent, while expenditure on the armed forces nearly doubled.

The government has practically ignored cultural life. The Cultural Center, founded after the popular revolution of 1944 which did a great deal in its time for literature and the arts, has been placed under control of the military government and an end put to its progressive activities. But all the more active is the Educational Service, a specialized "inter-American cooperation" agency. "Advisers" are sent in to uproot our indigenous culture on the pretext that national sovereignty has become a brake on the development

of the culture and the economy of the "free world"; these advisers favor "cosmopolitanism" which, they claim, is based on humane, democratic and even socialist ideas. Actually however, this concept is a form of the colonialist ideology being pressed upon the Latin American countries.

PUBLIC HEALTH AND SOCIAL SECURITY

According to official data, in 1960 only 18.2 per cent of the maternity cases benefited from medical assistance (in some places, for instance in the provinces of Canar and Manabi, the percentage was as low as 2.4 per cent), and 10 per cent of the infants died before they were a year old. The mortality rate is 21.9 per cent. Of the deceased 60 per cent (in some provinces 84 per cent) never had the benefit of medical care.

In 1962 there were only 2,500 qualified doctors for a population of nearly five million, and these were exclusively in the bigger towns. The number of other medical personnel is negligible. In the smaller towns and villages there is no medical care.

HOUSING

The 1950 census showed that out of 621,645 families 357,762 (55 per cent) lived in one room. Of these 109,915 were families of six or more. Housing is one of the most pressing problems which is growing more acute with the growing of the population and its increasing concentration in towns. "Guayaquil," the newspaper *El Comercio* wrote about Ecuador's biggest city, "presents one of the most dramatic national problems: 180,000 of its population of 600,000 live in the swamps of the 'Venice of Hell', while 375,000 others are crowded in hovels unfit for habitation." The reference is to the southern section of the city built on marshland and lacking a sewage-disposal system and drinking water. This is a quarter of the poor where the standard house is a crude platform on four piles with walls and roof made of bamboo and scraps of corrugated iron. The homes of the poor in Quito and other towns are hardly better.

II

This, in rough outline, is the socio-economic state of our country, a matter which the Seventh Congress of the Communist Party, held in March 1962, subjected to a thorough examination.

THE REVOLUTIONARY WAY IS THE ONLY WAY

The resolutions adopted by the congress point out that the development of the country is impeded by the oligarchy which seeks to preserve the feudal survivals, and by imperialism, both of which, pursuing a policy of repression and lawlessness, aim at keeping Ecuador in a state of backwardness. Hence, as the Party program stresses, the revolution in our country is bound to be an anti-feudal, anti-imperialist and democratic national-liberation revolution destined to abolish semi-feudal relations in the countryside, to drive the imperialists out of the country and to place its social life on a democratic footing. This would make it possible within a brief space of time to launch our economy on the non-capitalist path and, subsequently, to go over to the building of socialism.

The documents of the Communist and Workers' parties adopted at the 1957 and 1960 meetings give a correct characterization of our time. The October Revolution in Russia marked the beginning of the crisis and disintegration of imperialist world domination and created more favorable conditions for the liberation of all countries oppressed by capitalism. It was followed by People's Democratic revolutions in the countries of Europe and Asia which today are building socialism, by national-liberation revolutions in colonial and dependent countries, and, in Latin America, by the Cuban revolution, with which this quarter of the world ceased to be the "private preserve and backyard of imperialism" and which channelled the energies of the Cuban people to the building of socialism and gave new impetus to the struggle of the Latin American peoples for national and social liberation.

THE PEOPLE'S PROGRAM

Our Party, founded in 1928, has always stood together with the people, guiding the struggles of the working people, cementing the movement of the workers and peasants, and resolutely combating imperialism and its allies.

The program adopted by the Seventh Congress expresses the aspirations and interests of all classes which are capable of uniting and should be united in a national-liberation front. The basic demands advanced in this program are a democratic agrarian reform; industrialization; strengthening the state sector in the economy; a tax reform removing the bulk of the tax burden from the shoulders

of the working people; nationalization of enterprises owned by foreign monopolies as well as of foreign trade; democracy, consistent extension of trade union rights; raising the material and cultural level of the working people; an independent foreign policy, peaceful settlement of the Peru-Ecuador frontier problem, and establishment of diplomatic relations with all countries, and primarily with the socialist countries.

This program cannot be carried out by a capitalist, pro-imperialist government. For it to be realized it is imperative to establish a *democratic revolutionary government* in which the leading role would be played by the alliance of the workers and peasants. This government should include all anti-imperialist and anti-feudal forces, including the petty bourgeoisie and the progressive sections of the national bourgeoisie which should be won over to the side of the revolution through consistent pursuance of a united front policy.

Such a government can be established only if a broad liberation front is created, a front which, constantly cementing its unity and guiding the struggles of the masses, will lead the people to victory.

THE COMMUNIST PARTY AND THE MILITARY DICTATORSHIP

The years 1960-63 were marked by a sharp upswing in the revolutionary movement. The actions undertaken by the workers, peasants, students and urban and rural middle sections largely under the leadership of our Party testified to a relatively high degree of maturity of the movement. In 1963 elements of a revolutionary situation began to assert themselves, and fear of the loss of their privileges impelled imperialism and the oligarchy to muster their forces. They launched an all-out anti-communist drive, turning for support to the reactionary clergy and resorting to terror. This drive culminated in a "gorilla" coup in the summer of 1963. A military dictatorship was set up which abolished all democratic rights, threw hundreds of workers and peasants into prison and began physically to destroy the finest sons of the nation.

In the initial period following the establishment of the dictatorship, our Party was confronted with enormous difficulties in its efforts to keep the mass struggle at the former pitch. But today the Party, carrying on the fight in the conditions of illegality, is again consolidating its leadership of the mass movement. It organized a number of big actions which forced the dictatorship to rescind some of its imperialist-inspired despotic de-

crees. In particular there has been a let-up in the use of military measures against the trade unions. Mass pressure at home and the international solidarity movement abroad have compelled the ruling junta to release unconditionally the imprisoned Communists and Socialists and even to declare their readiness to hand over power to a civilian government.

The dictatorship is no longer supported even by those reactionary parties which welcomed the coup in 1963. Hence the maneuvers to which it has resorted, such as the draft of a new Constitution, which the Communist Party has denounced as a shameful document designed to legalize Ecuador's present status as a virtual U.S. colony. The military are seeking to saddle the republic with oligarchic rule through a sham election in which only the political parties of the bourgeoisie and the landlords would be allowed to take part, while the revolutionary forces, driven underground, and the illiterate, who account for half of our population, would be barred from the polls.

POLITICAL ALIGNMENTS

It should be noted that the program of national-liberation revolution is opposed not only by the ruling military junta but also by other parties and movements representing the various groupings of the ruling classes and constituting the best allies of U.S. imperialism. Here mention should be made primarily of the ultra-Right represented by the Conservative Party, the so-called ARNE Federation, the Social Christian Party, and, latterly, by the Christian Democratic Party. These are all landlord movements connected with the Catholic Church which renders them systematic support. There are also political groups of the bourgeoisie, the most prominent of which is the Liberal Party. At one time this party played a progressive role. It advocated the separation of church and state and won some democratic gains. Later on, however, it degenerated into an oligarchic group which ruled the country for 50 years (1895-1944) and ended up as a brake on the nation's progress.

The so-called Federation of Popular Forces, following the withdrawal of Guevara Moreno from its leadership and the emergence of two reactionary factions in its ranks, is falling apart. There is also a Right-wing Socialist Party formed in 1960 as a result of internal dissension and a split in the Socialist Party. The dissenters are out to supplant the genuine Socialist Revolutionary Party, which for

years has maintained close unity with the Communists and has joined with them in all major democratic actions.

Lastly, there is the National Velasquist Federation, a political movement of the caudillist type headed by Velasco Ibarra. This is a heterogeneous trend taking in defectors from other parties and the powerful oligarchic groups that were in the saddle during the rule of Velasco Ibarra.

UNITY IS THE PRECONDITION OF VICTORY

Both the bourgeois parties and the Velasquist movement find support among certain sections of the working people. But for all that, these sections, despite the duplicity of their leaders, have on repeated occasions taken part in joint actions with the democratic forces, and this gives us reason to hope that they too will join the revolutionary struggle in a united front context.

Our Party holds that in order to forge ahead along the path of revolution it is imperative to overthrow the military dictatorship by joint action of the forces destined to unite in a national-liberation front and, eventually, to establish a genuinely people's government with the participation of the workers, peasants, students, professionals, intellectuals, the petty-bourgeoisie and progressive sections of the national bourgeoisie. This government would include Communists, Socialists, and representatives of the mass following of the Liberal Party, the Federation of Popular Forces, etc. It would restore democratic rights, solve the pressing problems, and then convene a genuinely democratic and sovereign constituent assembly elected by universal ballot (including the votes of the illiterates). The people would thus exercise in practice genuine national democracy—democracy elevated to the law of the land—and have a direct say in the deliberations of the assembly which alone would be empowered to adopt the Constitution and the basic laws of the country.

THE PATHS OF THE REVOLUTION

Examining the questions of revolutionary tactics and strategy, the Seventh Congress of the Party fully subscribed to the view that with the present world balance of forces, the growing influence of socialism and the advance of the working-class movement in the capitalist countries and the national-liberation movements all over the world, the conditions are becoming more and more favorable for a non-violent revolution. Needless to say, we,

in line with Marxist humanism, would like to see the revolutionary process in our country develop along lines least painful for the working class and its allies. But the policy of repressions pursued by imperialism and the oligarchy, and the consequent limitations imposed on peaceful and legal forms of struggle, make it obvious to us that peaceful reconstruction is impossible in our country and that the decisive role will be played by armed struggle. This, however, does not mean that we are succumbing to adventurist tendencies, or that we consider armed struggle the only possible way for the revolution in any country. We know that the peoples themselves and their vanguard parties chart the roads to revolution in accordance with the conditions of each country. When we say that armed struggle is inevitable in Ecuador, we do so on the basis of a thorough examination of all the conditions in which our struggle is developing. We believe that, as Lenin taught us, it is necessary to combine all forms of struggle, legal and illegal, peaceful and violent, that

we must be prepared to go over from one form to another and utilize all the possibilities afforded by each.

Factionalists have sought to divert our Party onto a path of reckless and desperate adventures, underestimating the role of the working class as the leader of the revolution and seeking to undermine its faith in its own strength. Our Party fully supports the decisions taken by the Communist and Workers' parties at their historic meetings in 1957 and 1960 and condemns every kind of factional activity. Our Party is for the convocation of another meeting of the Communist and Workers' parties to discuss the new developments since 1960, to generalize the wealth of experience gained by the peoples in the course of their struggles and on this basis to work out common concepts which would be a creative contribution to Marxism-Leninism. We believe that such a meeting would open new prospects for strengthening our unity in the common struggle against imperialism.

Bolivia after the military coup

CUETO JORGE COLLA

THE MILITARY COUP in Bolivia in November 1964 marked the end of an instructive chapter in the country's history, a chapter which began more than twelve years ago with the victory of the people's uprising. Between these two events lies the period of a deep-going anti-imperialist, anti-oligarchic revolution which was betrayed and diverted from its original course by the bourgeoisie.

To appreciate the nature of the November events and the causes leading up to them and to assess the prospects of the struggle between the two basic trends in Bolivian society today, it is necessary to turn back to the recent past.

Thanks to active intervention by the people an attempted coup in April 1952 turned into

a mass uprising. Its victory put an end to the domination of the landowners and big bourgeoisie — the allies of imperialism — and brought to power the national bourgeoisie represented by its party, the Nationalist Revolutionary Movement (NRM). The class nature of power changed perceptibly; the first signs of revolution were evident although it is true that from the very beginning control of the revolution was largely in the hands of the bourgeoisie.

The armed people forced the new government to nationalize the mines which until then had belonged to the three big concerns closely connected with imperialist monopolies (approximately 30 per cent of the shares of these mines were held by North American

capitalists). The significance of this measure can be fully appreciated if we bear in mind that Bolivia is essentially an exporter of minerals, with tin accounting for some 70 per cent of total exports.

However, once it had entrenched itself politically the bourgeoisie made a complete turn-about. Excessive compensation was paid for the nationalized enterprises, the imperialist *diktat* was preserved in trade; cost of production soared, the country became even more dependent on the U.S. tin monopolies and, to cap it all, administration of the mines was placed directly in foreign hands. First appeasement, then capitulation and finally betrayal — this has been the path of the government of the national bourgeoisie during its twelve years of power.

Pressed hard by 500,000 armed peasants, the Government was forced to introduce yet another significant measure — agrarian reform. The peasants occupied the land without permission and the Government legalized this action by passing a decree abolishing the latifundia and the feudal rent then prevalent in agriculture. But here, too, the bourgeoisie managed to direct the agrarian reform into a bureaucratic and judicial labyrinth and in this way to foster capitalist development.

Another result of the uncompromising struggle waged by the masses was the introduction of universal suffrage and workers' control with the right of veto in the nationalized industries.

Compelled at first to grant some of the basic demands of the masses the ruling circles afterwards resorted to demagogy, provocations and repressions. They put the brakes on the development of the revolution, distorted its real meaning and finally betrayed it.

As a result unemployment grew, hunger and misery became chronic, exploitation was intensified, the cost of living increased thirty-fold, while the average wage rose by only fifty per cent. Through the International Monetary Fund and Alliance for Progress home and foreign policy, to say nothing of the economy, were subordinated to imperialist interests to a degree unprecedented in Bolivia's history.

The state-owned oil monopolies were abolished, air bases and radar stations were set up; foreign capitalists began to exploit the mineral deposits and the government began to denationalize the tin mines. North American overseers began to lord over things in practically every state organization, while the U.S. military did likewise in every town. The so-called Peace Corps roamed the country at will.

Brutal repressions against the working-class and democratic movement became the order of the day. The trade unions were not spared, and the authorities tried hard to buy working-class leaders. Democratic liberties were trampled underfoot and honest-minded leaders were put behind bars.

The masses, and especially the miners, fought valiantly during the events preceding the coup. Public meetings, demonstrations and marches by columns of miners and even armed resistance to the provocative actions of the military marked the closing weeks of the Paz Estenssoro administration. Sections of the urban petty bourgeoisie, teachers and students joined the struggle.

The rising revolutionary movement found expression in growing class conflicts and alarmed the ruling circles.

The High Command of the Army, which until then had fully supported the Government, decided to remove President Paz Estenssoro and replace his Government with a military junta. But the Armed Command never dreamed that Paz Estenssoro's civil militia would offer armed resistance, thus enabling the masses to intervene in the struggle and change the character of the coup at a certain stage, tying the hands of the military junta to some extent.

The active participation of the people in overthrowing the government was a striking feature of the November events. And by no means can their participation be construed as collaboration with the junta. The aims pursued by the working people were the opposite of those pursued by the generals. The brief but violent street actions were fought by the people with the aim of doing away with the police apparatus of coercion, to secure the release of their leaders, to get their hand on arms and compel the new government to respect the rights and liberties that had been betrayed by the Estenssoro Government. The aim was to compel the new regime, set up following the military coup, to guarantee their rights.

Most important of the concessions gained was the abolition of the Department of Political Control (Paz Estenssoro's secret police) and the disarming of the militia. But the principal weapon of repression, the army, was not only left intact, it was considerably strengthened.

And so two diametrically opposed perspectives are now open to Bolivians. One is that a "new" reactionary and pro-imperialist regime may become a reality. This danger has its source in the alliance that began to take shape during the November coup between the army

generals and the ultra-Rights who lost power in April 1952, and with the extremists in the NRM. Politically this bloc relies solely on the Pentagon, on armed force against the people, and first and foremost, against the working class and the peasantry. The other perspective is that of working-class and peasant unity and of their joining forces to form the base essential for the nation's progressive development and for pressing back the forces of reaction and imperialism. It is not simply a question of Right or Left, of Communists or anti-Communists, as the matter is being presented. The issue is one of progress or regress, of revolution or reaction, of independence or slavery.

To unite in order to ensure the victory of

the people—this is the only possible course open to the progressive forces of the country. Bolivia has a valiant, although still young working class organized principally in trade unions (true, it has to regain some of the positions it has lost in this field). The peasantry which until very recently was mostly under the influence of the bourgeoisie is now becoming a powerful force (organized in its own unions), which can and will occupy its rightful place in the coming battles. By joining forces the democratic revolutionary parties of the people can play the leading role, and all the signs are that they will achieve unity. And last, but not least, the people are armed, and nobody can deprive them of their arms.

WMR

in the communist and workers parties

Militant unity of Latin American communists

LATIN AMERICAN COMMUNISTS are unanimous in their support of the decisions adopted by their parties at a conference held at the end of 1964. The results of the conference are being discussed in the parties and in their newspapers and journals. The conference, which was an important event in the world Communist movement, was attended by representatives of twenty-two parties. It was permeated with the spirit of the 1960 Statement, which found it useful and necessary for the Marxist-Leninist parties to meet from time to time to share experiences, acquaint themselves with each other's thinking and to work out common views and to coordinate joint actions for common aims.

It was the most representative forum since the Latin American Communist parties first met in Buenos Aires in 1929. Much has changed since then. The international situation is different. Socialism has become a world system. Big headway has been made by the working-class movement in the developed capitalist countries. The national-liberation movement

has grown tremendously. The victory of the Cuban people signified the triumph of the first socialist revolution in America. The revolutionary parties in all the Latin American countries have developed into a powerful well-organized political force.

The conference discussed the pressing problems confronting the peoples of Latin America and the world Communist movement. Stating their views on questions of Marxist theory and revolutionary practice, the parties declared that despite divergences of opinion due to differences in interpreting the changes that have taken place in Latin America and throughout the world, agreement was possible provided discussions were conducted in the spirit of mutual understanding and fraternity.

The traditional unity of the Latin American peoples and revolutionary fighters, which goes back to the war of independence against Spanish rule, was manifested not only when common problems were stated and analysed, but also when the delegates turned to the tasks of organizing a solidarity movement and mutual

support of all the Latin American peoples in the fight against imperialism and above all of strengthening solidarity with Cuba.

The need to expand and strengthen the movement of solidarity with Cuba determines tasks common to all the peoples of the continent: to work for the restoration of diplomatic and trade relations with Cuba, to combat the economic blockade and expose the preparations for renewed aggression and the counter-revolutionary activities of CIA agents. In the opinion of all the parties, it is also necessary to repel the smear campaign against the people and revolutionary government of Cuba organized and directed by the U.S. imperialists, and popularize the big economic, social and cultural achievements of the Cuban revolution.

"By promoting the solidarity movement," the communique of the conference, issued on January 19, 1965, points out, "organizations, leaders and parties not only fulfill their international and Latin American duty but uphold the interests, freedom, dignity and future of their own peoples."

The conference called for active struggle against the ruling oligarchies and military juntas in many Latin American countries and for imparting a permanent character to the solidarity movement.

The conference agreed to render active support to the patriotic movements which are being persecuted, specifically to the Venezuelan, Colombian, Guatemalan, Honduran, Paraguayan and Haitian revolutionary fighters, and to step up the campaign for the release of the Communist leaders and other democrats, among them Jesus Faria, Gustavo Machado and Pompeyo Marquez of Venezuela, Pedro Saad of Ecuador, Jacques Stephen Alexis of Haiti, Antonio Maidana of Paraguay, and Mario Alves, Ivan Ribeiro and Astrogildo Pereira of Brazil.

The communique singled out the task of organizing "on a continental scale a movement of all the Latin American peoples for solidarity with the liberation struggle of the Venezuelan people" and with the people of Panama "who are fighting a difficult battle against imperialism."

Calling for an end to colonialism on the continent, the conference supported the fight for the independence of Puerto Rico and British Guiana, autonomy for Martinique, Guadeloupe and French Guiana, the national aspirations of the people of the British and Dutch colonies in the Caribbean, and demand for the restitution of the Malvinas Islands to Argentina.

The communique stresses the need to support the workers' movements of protest against oppression and injustice, bringing them to the notice of the World Federation of Trade Unions and all the independent labor centers of Latin America.

Profoundly concerned over the current differences in the world Communist movement, the delegates discussed this question in the spirit of striving for unity. The decisions of the conference conform to the principles of proletarian internationalism. The decisions facilitate the search for means to lessen the danger of a split and clear the way to unity.

Guided by these principles, by the program documents of the 1957 conference and the 1960 meeting, the Latin American parties reaffirmed their determination "actively to contribute to world Communist unity . . . to do their utmost to pave the way for unity, ensure mutual understanding in the socialist community, and avoid all that increases the danger of a split, hampers fraternal and constructive discussions and makes it difficult for the fraternal parties to act in a united front in order to overcome the present divergencies and turn all their energy to the fight against the imperialists and other reactionaries . . .

"We must base ourselves on common points of view expressing our common ideology, Marxism-Leninism, and do everything so that solid unity on questions of principle will prevail.

"In view of this and of the fact that the differences, in the form in which they have begun to be discussed, injure the world Communist movement, this conference insists on immediate discontinuation of public polemics and on the need to find appropriate ways of settling the issues in the fraternal spirit which should govern the relations between Marxist-Leninist parties."

The Latin American parties condemn all factional activity, considering that the unity of each party is essential for the further development of the revolutionary process in every country.

In the opinion of the conference, the unity of the world Communist movement can be helped by bilateral and multilateral meetings, a conference or conferences of all the Marxist-Leninist parties.

All who treasure the interests of the world Communist movement hail the initiative and decisions of the conference of the Communist parties of Latin America.

J. M.

Influence of Mexican Communist Party grows

AT THE END OF LAST year when a new President was elected in Mexico, official propaganda used the occasion to extol the outgoing government.

It is true that on some major foreign policy issues it played a positive role. As Martinez Verdugo, First Secretary of the Central Committee of the Communist Party, stated, "the stand taken by the government at the Ninth Consultative meeting of Foreign Ministers of the OAS rightly met with the support of Mexican patriots and the approval of the peoples of Latin America for it accords with the national interests of Mexico and the principle which recognizes the right of all peoples to choose the system of government that suits them best. . . ."

What about home policy? To quote the recent statement of the Presidium of the Party: "We do not want to say that there was no growth at all in the country's productive forces and in total output. The bourgeoisie is undoubtedly interested in promoting a certain amount of capitalist development and introducing some reforms making for progress."

In its economic policy, however, the government depended on imperialist loans and direct foreign investments, which was hardly conducive to economic advance. In 1958 the foreign debt totalled 7,525 million pesos (1 peso = \$0.08), whereas in September 1964 it exceeded 20,000 million pesos, with the annual interest reaching 1,200 million. Tied by loans to its powerful North American partner, Mexico overpays 20-30 per cent for U.S. goods. It is obliged to import such items as rails, fittings, etc., when its own metallurgical industry is working at barely 75 per cent of capacity. Foreign companies interfere in the administrative affairs of the nationalized enterprises.

Various financial operations have netted foreign companies a profit of \$761 million.

Such is the picture of "national prosperity" in the sphere of industrial production.

The government admitted that the agrarian problem was the hardest to tackle. With the backing of the state and private banks, land speculators and U.S. companies fleeced the peasants. More than three million had no land

at all, and the price paid for staple farm produce was extremely low.

The outgoing government boasted that it had given the peasants 16 million hectares of land. It is true that land allotments were made, but they certainly did not total up to 16 million hectares. To begin with, these 16 million included the land given to the peasants by decisions of former presidents; all the government did was to issue the formal deeds entitling the peasants to the plots which they had been cultivating for a long time. Secondly, many of the plots "turned over" to the peasants by the President during his tour of the country never passed into the hands of the new owners for the simple reason that literally on the next day after the President's departure, the army drove the peasants off the plots, returning them to their former owners. Lastly, a large part of the allotted land is unsuitable for farming. The notorious "general agrarian reform" served and continues to serve as a cover for protecting the interests of the landlords and latifundists. As a result, the revolutionary slogan of Emiliano Zapata that the land should be given to those who till it remains a mere slogan nearly fifty years after the Mexican revolution.

Concealed unemployment affects nearly 25 per cent of the rural population, i.e., 1.5 million peasants. The wages of the agricultural laborer are extremely low. "It is clear," says the Central Committee statement, "that the old problems of the countryside still await solution and are, if anything, growing more acute; that misery, unemployment and violation of the rights of the peasants are still their lot."

Commenting on President Gustavo Diaz Ordaz's Inaugural Address defining his government's policy, the Party organ *La Voz de Mexico* wrote: ". . . this policy seeks to promote capitalist development by bargaining with imperialism for some minor concessions while preserving the country's dependence on international finance capital, and particularly on U.S. imperialism. . . ."

"The government's first steps in relation to the working people, to the exploited masses, show that it is least concerned with their in-

terests, that its objective is to hold in check, hamper and defeat the independent actions of the working people. . . ."

The Communist Party notes that there is a new upsurge in the working-class and national-liberation movement in the country and throughout Latin America. That this struggle is spreading and growing is borne out by recent events in Mexico.

Last September the press reported the "expulsion" of 11 Communist members from the Executive Committee of the Independent Peasant Center. The order to split the Center came from official quarters. But this reactionary maneuver misfired. The majority of the Executive withdrew from the Central leadership and opened a new head office to which came more and more peasants who refused to recognize the self-styled leaders. Messages supporting the 11 "expelled" Communists and condemning the group of disrupters poured in from all parts of the country.

Another event was the peasant-student actions in Puebla last October, supported by workers and the entire population of the state, to protest against the arbitrary decision of the authorities to introduce a law detrimental to the interests of the dairy farmers. The meeting held in this connection by the peasants and supported by students was dispersed by the police, who arrested several peasants and students and also some leaders of the Independent Peasant Center.

Protest demonstrations in which more than 20,000 people participated were held in the streets of Puebla. Soldiers were called out to patrol the streets. A wave of protests against the violence and unlawful arrests swept the country. The government was compelled to yield; there followed the resignation of Antonio Nava Castillo, the governor responsible for police violence.

The Party holds that one of the most important factors that contributed to the success of this movement was the participation in it of the working class. It showed the democratic forces that victory can be won only through mass struggle, that conciliation, the tactics of "pressure through support" recommended by the reformists can only lead to defeat.

The Communist Party has fought a number of battles in recent years in defense of trade union independence, for the release of political prisoners, annulment of the anti-Constitutional Article 145 of the Criminal Code (concerning so-called "social dissolution"), for the right to strike, etc.

The Party's immediate aims and tasks were outlined in the resolution adopted by the Central Committee at a meeting held in August 1964. This document contains the following demands: an independent foreign policy and active struggle for self-determination and national sovereignty; support for Mexico's stand in the OAS; action to halt imperialist penetration and the plunder of the national economy,

enactment of a law to control and restrict foreign investments; control over currency exchange, and nationalization of public utilities, mines and the sulphur industry at present in foreign hands; release of the political prisoners and repeal of the "social dissolution" law; respect for the right to strike and non-interference by the government in trade union affairs; an overall increase in wages and pensions; a reduction and freezing of rents, allocations for houses for low-income working families; a new code of agrarian laws worked out with the direct participation of peasant organizations; radical amendment of the federal electoral law; solution of the problem caused by the salinization of the Mexicali Valley.

Solution of these problems will make it easier for the Party to tackle the main task, namely, to prepare the people of Mexico and its democratic forces for a democratic national-liberation revolution, to ensure its victory and thus pave the way to a socialist society.

The meeting of the Central Committee stressed that the immediate task was "to develop and organize all aspects of action by the working people and the masses in general," to strengthen unity of action with all democratic and anti-imperialist forces. The meeting recognized the need to concentrate more attention on the activities of the trade unions, to help consolidate the Independent Peasant Center, to encourage work among women with a view to establishing a new women's organization and to prepare for convening a Communist Youth Congress.

October 1964 saw the founding of the National Union of Women. Commenting on this *La Voz de Mexico* wrote: "The new organization represents a victory of the popular movement and will help to promote the struggle for democracy, peace, and for the economic and political independence of our country. A broad organization, uniting women irrespective of political, ideological or religious views, it is open to all who subscribe wholly or partially to its program."

A big role in uniting the democratic forces is played by the National Electoral Front. The Presidential election campaign was a useful experience for the Front in democratic, anti-imperialist and revolutionary struggle. The forthcoming elections to the legislative assemblies of the states and to municipal councils will afford it a wide range of activity.

The Party is working to unite the democratic forces in all areas — in the trade unions, in the peasant organizations, among the youth, women, students and intellectuals, in the Electoral Front and in the National-Liberation Movement.

It is working to realize its aim of becoming a mass party. "We have repeatedly stated," Martinez Verdugo said in his report to the Fourteenth Congress of the Party, "that the growth of the Party of the working class — the

Communist Party—is vital to the revolutionary, democratic and anti-imperialist movement in our country. . . . It is not out of a sense of sectarian exclusiveness that we stress the importance of the Communist Party for the victory of a democratic national-liberation revolution. In doing so we proceed from the role which the different classes objectively play in a revolution, from the fact that in the light of the present alignment of forces the decisive role belongs to the working class and its party."

The Fourteenth Congress set the tasks of winning more members, of strengthening the leadership, improving political training and extending the influence of the Party among the working class. The meeting of the Central Committee, held in November 1964, worked out the measures to be taken in this direction.

The meeting discussed Martinez Verdugo's report on the tasks of improving Party leadership and the report of J. Encarnacion Perez, member of the Presidium of the Central Committee, on Party building.

It was decided to have a uniform study plan for members and functionaries, to improve the work of the National School, provide short-term courses for Central Committee members, for the committee members at state and regional levels, and for Party members working in the mass organizations. The meeting also decided that *La Voz de Mexico*, a fortnightly, would appear weekly, and to arrange for the

regular publication of the theoretical journal *Nueva Epoca*.

"Fulfilment of the tasks facing us will depend in large measure on how the leading core of the Party is built," states the resolution. But this is not something that can be left to chance. It is the duty of the Central Committee to take into account the experience of the past and thus avert any repetition of the old mistakes.

All the members should be involved in one way or another in the activity of the leading committees, in discussing Party documents. "In this way no leader, or committee will be immune from criticism, whenever merited, by the membership," states the resolution. Also stressed was the need for better discipline.

The Central Committee meeting decided to concentrate Party work in the big industrial centers so as to make the best use of its forces. It also charted measures to increase membership and to form new branches.

Given favorable objective conditions, the realization of these measures will enable the Party quickly to become a mass, influential party capable of fulfilling its role as the militant, revolutionary vanguard of the working class, of all working people in the struggle against reaction and for democracy and socialism.

Ventura LORENZO

The Party of the working people of Vietnam in the drive for economic progress

FOR ONLY A LITTLE over ten of its thirty-five years the Party of Working People of Vietnam has been guiding development in the north of the country. But even in this short space of time the republic has changed beyond recognition. The country's first five-year plan (1961-65), designed to lay the material and technical foundations of socialism, is being carried out successfully. New branches of heavy industry have been set up. Industrial output is seven times that of the prewar year of 1939. In agriculture about 90 per cent of the peasant families have joined the cooperatives. Total agri-

cultural production is double the 1939 figure.

As socialist production relations develop and the country advances towards socialism the Party is paying more attention to the problems of correctly applying objective economic laws, of putting all economic and political work on a scientific basis. One of these problems, that of correctly applying the law of value, was discussed at a meeting of the Central Committee last December.

The meeting pointed out that today we see a continuation of the struggle between the socialist and capitalist paths of development, a con-

tinuation of class struggle in the period of the revolutionary reconstruction of a backward economy into a socialist economy with modern large-scale and balanced industry, by-passing the capitalist stage.

In the last ten years progress has been made in placing home and foreign trade on a socialist basis, in carrying out a sound price policy. Not enough attention, however, has been paid to price regulation on the free market; prices of agricultural products and of goods of different quality were not always correctly determined, and unjustified price fluctuations were observed in various parts of the country.

The task of the Party, in addition to industrialization, is "to turn Vietnam into a solid base for the peaceful reunification of the country"; the revolutionary reconstruction and the revolution in education and technology must be accelerated; the Party and the entire people should "concentrate on the technological revolution as the chief means of gradually completing mechanization of various branches of the economy."

The task in industry is to ensure priority

development of heavy industry and increased output of consumer goods for home consumption and export. In agriculture the task is to grow more food for the population and more industrial crops. In foreign trade the emphasis should be on increasing exports in order to increase the import of plant needed for industrialization. Special attention should be paid to the production of agricultural goods for export, for which the country, situated in the tropical belt, has very good possibilities. A regulated system of prices should be introduced and measures taken to reduce prices so as to promote foreign and domestic trade.

As far as the relationship between economic development and the needs of defense are concerned, the meeting pointed out that trade and prices should serve primarily economic development as the chief task, with due attention to defense.

The effort to improve trade and regulate prices should be regarded as revolutionary struggle for the purpose of expanding the productive forces, improving economic management, increasing socialist accumulation and raising the standard of living.

A people's intelligentsia emerging in Indonesia

THE STRUGGLE FOR national independence, and the proclamation of the Indonesian Republic on August 17, 1945, greatly changed the outlook of a large section of the intelligentsia. Besides, after the ending of Dutch colonial rule a new contingent of intellectuals made its appearance. True, there is still a small group of reactionaries among the intellectuals, which has its social basis in imperialism, colonialism, in the vestiges of feudalism, and in compradore and bureaucratic capital. The struggle to isolate this group is part of the struggle against its social basis.

The vast majority of the Indonesian intellectuals belong to democratic and revolutionary groups. The democratic group consists of freedom-loving, anti-imperialist patriots whose relations with the workers and peasants, though contradictory, are not antagonistic. The revolutionary group, consisting of Communists and progressive, non-Party intellectuals has taken a firm stand against imperialism and has

integrated itself wholly with the workers and peasants in their struggle against the enemies of the people.

It is this revolutionary group which, through persevering study of Marxist theory, is destined to be the core of the working-class intelligentsia. In alliance with the other progressive forces it will be able to realize the pressing tasks of our revolution. The Communist Party is working to win more intellectuals to this group and to deepen their revolutionary consciousness.

An important role in building our revolutionary intelligentsia is played by the Academy of Social and Political Sciences ("Aliarcham"), which graduated its first contingent of 37 last year. This is a relatively small number, of course, but the significant fact is that the graduates come from the working class.

Founded in Djakarta in August 1959, the Academy is the first establishment of its type in working-class history in Indonesia. More-

over, it is maintained in a country where the power does not yet belong to the working masses and whose people have not yet rid themselves completely of the rule of imperialism and the vestiges of feudalism. We still have to overcome many obstacles to the successful functioning of the Academy, such as lack of experience and financial and technical difficulties.

The most important thing, however, is that there are factors greatly stimulating the organizers of the Academy: 1) confidence in the creative powers of the working people, particularly the working class, to develop intellectuals from their midst; 2) confidence in the Communist Party; 3) the belief that the best of the progressive intelligentsia will eventually place themselves at the disposal of the Academy.

The Academy's program is designed for a three-year term. We started out with courses of not more than three months' duration. The study material was tested and improved in the course of instruction. In this way we collected, translated and prepared literature on dialectical and historical materialism, political economy, the history of the international working-class movement and on the basic problems of the Indonesian revolution.

In 1961, after an almost two years' preparatory period, we had accumulated sufficient experience and materials to introduce a complete three-year term.

The regular students, who live in the Academy's hostel, attend lectures morning and afternoon daily. Besides, there are extension courses for students divided into groups according to place of work or residence and taking into account their educational background.

The main subjects for all are Marxism-Leninism, the Political Manifesto of the Indonesian Republic, the Pancha-Sila theory, and the Indonesian, Russian and English languages. The Marxist-Leninist method of instruction enables all students to study purposefully. In our case the aim is to study Indonesian society and the Indonesian revolution. Therefore the main problems of the Indonesian revolution constitute the most important subject, based on the application of principles of Marxism-Leninism to the concrete conditions of Indonesia. Instruction includes lectures on the Political Manifesto and on the history of Indonesia, the national-liberation movement, the working-class movement, Indonesian society, the Indonesian revolution and Indonesian socialism. The Academy consistently combines theory with practice, in keeping with the principle "knowledge of Marxism-Leninism plus knowledge of the situation."

In addition to the above-mentioned subjects, lectures on world history are read in the second year and on anthropology and the philosophy of the ancient East in the third year. For the

purpose of combining theory with practice, six months study is followed by six months of practical work on research in the provinces, organized in cooperation with mass revolutionary organizations. The Academy and these organizations jointly work out programs of research and tackle the technical, financial and organizational problems entailed by the research. This method is beneficial both to the mass organizations concerned and to the Academy. The research done by the students gives the leaders of these organizations a more objective and concrete picture of the situation confronting them, while the scientific conclusions drawn from the experiences of the organizations and their cadres raise the theoretical level of the latter. On the other hand, while doing practical work the students improve their theoretical knowledge and learn how to apply it in practice.

The research subjects are varied. Here are some of the most important of them: class relationships in the countryside; conditions of the workers; forms of religious superstition in society; political trends of newspapers.

Students attending the extension courses form three groups. The first consists of tried and tested working-class leaders with a high level of theoretical and practical knowledge of Marxism-Leninism. Studies in this group are conducted in the form of talks, discussions and consultations. It should be noted that this group includes leading members of the Central Committee of the Party, among them Comrade Aidit, Chairman. Having enrolled for the extension course, these comrades are enriching their knowledge of Marxism-Leninism.

The second group comprises cadres who already have some practical experience in applying the principles of Marxism-Leninism. The study enables them to systematize their theoretical knowledge and at the same time enrich the Academy's study material on the practical application of Marxism-Leninism.

The third group is composed of revolutionary cadres possessing organizational and other experience of work among the masses but with little or no theoretical knowledge. Their program is based on the application of Marxist-Leninist theory by both students and lecturers, in clarifying problems of practical work and also in drawing conclusions.

The first five years of the Academy have been fruitful. It is playing an ever more important role in enriching Marxism-Leninism and in training the revolutionary Indonesian intelligentsia. However small it may seem, this is a substantial contribution to the cause of the Indonesian revolution, to the struggle of the peoples of the world and the international proletariat against U.S.-headed imperialism, for world peace, national independence, democracy and socialism.

M. JUNUS

The French Communist Party and the peasant problem

WITH DE GAULLE'S advent to power, the direct participation in government of representatives of monopoly capital and with monopoly domination of the economy, France's agricultural policy acquired a new orientation. The basic aims of this policy at present are:

- 1) deliberate aggravation of the difficulties experienced by the small and middle peasants in order to accelerate their elimination;

- 2) encouraging concentration in agriculture through appropriation of the land the peasants have been forced to give up;

- 3) to force down farm prices in order to forestall the workers' demands for cheaper food and to be able to compete on the foreign market, especially in the Common Market.

In 1958 economic and financial measures were introduced abolishing obligatory adjustment of agricultural prices (thereby increasing the disproportion between the prices of manufactured and agricultural goods), raising rent, increasing taxes, and reducing credits.

These measures were subsequently followed by a number of others unfavorable to the small and middle peasants but of advantage to the richer peasants. In the interests of the latter, the government froze the wages of farm laborers and facilitated the disposal of surplus wine, wheat and other cereals.

For the monopolies, however, this was not enough, and in 1960 they secured the adoption of the "agricultural orientation" law which was supplemented by another in 1962.

Farms are divided into two categories: those considered large enough to be preserved, and those which the government has condemned to be squeezed out of existence. In some Departments the latter comprise more than half, and sometimes as much as three-quarters, of the total. The government has already taken a number of steps under this law to deprive farms listed as unprofitable of some of the benefits still enjoyed by other farms.

Land regulation and rural organization societies have been set up for the purpose of acquiring (invoking, where necessary, priority rights) farmland and property put up for sale and turning it over to farmers "possessing the necessary financial means."

As for the production and marketing of agricultural goods, the government encourages the banks to tighten their grip on the farms and facilitates capitalist integration. In some branches the farms are gradually being turned into cottage industries.

To carry these new laws into effect the government recently set up "economic agricultural committees" charged with fixing surplus quotas and dictating quality standards, terms of sale, etc.

But while the French producers are obliged to cut farm output and incur all sorts of losses, the Libby canning factory, a U.S. concern in Vauvert (Gard) is allowed to import American agricultural products, and our Common Market partners are at liberty to flood our markets with their surpluses.

Judging by the results, the Common Market, hailed by its promoters as "the great opportunity for French agriculture," has fallen far short of the promises given to the French peasants. It has disappointed those who naively believed that West Germany would buy our surplus wine, meat, grain, corn, eggs and poultry. West Germany continues as before — and as could have been foreseen — to import staple products from the United States and some other countries like Argentina, Uruguay, Canada, Denmark, Sweden, i.e., countries which will take its industrial output in exchange. At the same time its imports from our country stand at almost the same level, and for some items are even declining. For example, while we have an annual surplus of 1-2.5 million tons of grain, West Germany purchased only 99,600 tons in 1963 as compared with 288,700 tons in 1955.

On the other hand, our fruit and vegetables are encountering increasing competition from Italian fruit and early vegetables. The adverse effects of the government's policy are evident in other spheres as well.

In the sphere of education the government threatens to close thousands of schools in the countryside, while giving financial support to private education. Pupils finishing elementary school find it difficult to enter secondary or agricultural schools, and in most cases their

parents cannot afford to give them a higher education.

The rural localities are considerably behind the towns as regards housing and amenities. It is a fact that over half of all dwellings in use at present were built before 1871, and only 9.8 per cent after 1948. To install water mains in the 15,600 rural communities which are still without them would involve an outlay of 1,100 billion old francs, according to the planning bodies, whereas the 1965 budget allocates only 22,000 million for this purpose. At this rate it will take 50 years to complete the installations of water mains in the countryside. Electrical supply systems and roads in the rural localities are also inadequate.

The stabilization plan under which wages and prices of agricultural produce are frozen ceases to operate when it comes to contributions for social needs, prices of manufactured goods, capitalist profits, or taxes. Hence the contributions paid by the farmers to diverse funds (for family allowances, pensions, insurance, etc.) grow from year to year.

While "stabilizing" prices for agricultural products, the government does nothing to stabilize the soaring monopoly profits. Nor is any attempt made to stabilize taxes levied on the working people which are also mounting steadily.

Although concentration in agriculture tends to create larger farms, mechanization has caused a substantial decline in the employment of farm laborers. This has been accompanied by an intensification of labor.

The guaranteed minimum wage for farm workers fluctuates between 152.10 and 161.80 old francs, i.e., approximately 20 per cent lower than the guaranteed minimum for industrial workers. It should be borne in mind that farm laborers are not ensured against bad weather or unemployment. In some areas, like Brie, la Beauce and Picardy, the farmers dismiss their workers as soon as they join our Party or trade unions affiliated to the General Confederation of Labor. The same fate awaits older workers.

It has been established beyond all doubt that the rising prices and higher cost of living are due not to the wages paid in agriculture nor to the price paid for agricultural goods, but to the huge capitalist profits and expenditure on armaments, on building the atomic strike force and maintaining an inflated army.

Thus, the government's entire policy — economic, social and foreign — strikes a heavy blow at the conditions of the workers of town and country. This explains the big peasant protest demonstrations that have taken place, such as the mass meetings and marches to the prefectures on October 15, 1964.

The fact that the government, despite its repeated declarations that it will not submit to pressure, has been forced to make some concessions, once again proves the efficacy of struggle.

In the course of these movements a definite

tendency toward rapprochement between workers and farmers was evident.

Not only did the leaders of workers' and farmers' organizations meet and work out joint positions, but workers of field, factory and office marched side by side in demonstrations.

In these circumstances the possibilities of drawing the working peasantry into the struggle alongside the working class, for their demands for peace and democracy, are greater today than ever before.

The Seventeenth Congress of our Party reaffirmed that within the framework of a true democracy we offer a program of comprehensive economic, social and financial measures which would at once prevent land from being seized by the moneybags, stimulate agriculture, help the family farms to purchase machinery and to run their farms and sell their produce in better conditions, and substantially improve the lot of the farm laborers.

But it would be a mistake to entertain any illusions on this score, for it has been proved time and again that the gains won in struggle are constantly threatened since they conflict with the interests of the monopolies. That is why the one-man rule must be abolished and genuine democracy introduced if a real policy of social progress is to prevail.

We must also show the farmers what socialism has to offer them.

This is, above all, an agrarian reform which would give land to the tillers, and enable all peasants, through free and voluntary co-operation, jointly to make use of farm implements and modern machinery. Collective labor would shorten working hours and give everyone a weekly rest day and annual holidays.

Economic planning, modern means of storing and transporting agricultural products would ensure the farmers a market for their crops at guaranteed prices.

French farmers and leaders of agricultural institutions who have visited the socialist countries have been impressed by what has been achieved there in the sphere of social welfare: nurseries and kindergartens, free medical care and free medicines, the facilities for sport, recreation, and education affording equal opportunities for all young people without discrimination of any kind.

In its activity in the countryside the French Communist Party should be ready to answer those who affirm that we should not take up the cudgels on behalf of the small and middle peasants, and to rebuff arguments advanced by the proponents of economic Malthusianism.

We are often reproached for defending unprofitable farms, and accused of wishing to preserve an obsolete agricultural structure. Our agricultural policy is criticized on the grounds that it is allegedly directed against technical progress.

We are the first to deplore the unprofitability of many farms. But who is to blame for this, if not the regime which allows a small

minority to take possession of huge holdings?

True, the small farms cannot use modern machinery as effectively as the bigger farms. But is it humane to deprive the small farmers of the instruments of their labor and declare that their farms must be regrouped and swallowed up by a privileged minority? Has anyone thought of what is to happen to the peasants and their families who have been or soon will be driven off the land? How are they to earn their livelihood? Is there any assurance that they will be given work when factories are on short time and are laying off workers?

We French Communists believe that technological progress should serve to lighten the labor of people and should not be made a pretext or an instrument for robbing the poor peasants of their livelihood.

To enable the small and middle peasants to make use of machinery either individually or collectively we have proposed time and again granting them credits, reductions and subsidies, cutting their taxes, giving special assistance to cooperatives, and particularly to agricultural machinery pools. But the government is doing just the reverse.

Naturally, in defending the small and medium farms we do not expect to stop the concentration in agriculture, for this is an objective process.

We merely protest against the government's actions in pushing laws through parliament or adopting decrees which aggravate the plight of the hard-pressed peasants, forcing them to give up their homes and their land.

For some time government policy has been based on the claim that there is an overproduction of agricultural goods of all kinds. But instead of searching for ways to dispose of this alleged surplus, it proposes arbitrarily restricting the quantity of produce on the market.

Is it not absurd to cut back production, not to speak of damaging some part of it, at the very moment when men, women and children—and not only in Asia and Africa, but also in our own country—could consume more meat, butter, cheese, sugar and fruit, and when our partners in the Common Market are free to dump their products on our market?

How can the authoritarian regime which the government has set up at home be reconciled with its economic liberalism and its championship of the Common Market?

Even authoritarian measures cannot balance production and consumption under a regime in which the bulk of the land and the main means of production and exchange are the private property of the capitalists and where profiteers and moneybags dictate their own laws.

Does this mean that nothing can be done

so long as the present system exists? We are far from any such suggestion. The workers and farmers should carry on the fight side by side each day for their common interests.

To absorb the surplus, which is only relative as compared with effective demand, we propose expanding the home market by raising the purchasing power of the people, cutting the profits of the middlemen as well as the taxes which raise the price of foodstuffs.

And if nevertheless substantial surpluses remain, they can be easily disposed of abroad provided the authorities develop economic co-operation and trade with all countries without exception.

But a genuinely humane policy of this kind does not suit the banking and industrial monopolies inasmuch as it presupposes raising wages, pensions, family allowances, i.e., reducing capitalist profits, reconverting military budgets, and pursuing a policy of national independence, disarmament and peace.

These are the conditions in which the Communist Party is carrying on its work to counteract the influence of the reaction on the working people of the countryside. In the near future we intend to organize mass rallies and to hold more meetings in the villages, and at the same time to train a larger number of public speakers.

It is noteworthy that *La Terre*, the farmers' weekly put out by the Communist Party, continues to win new readers despite the steady decline in the rural population, and with its circulation of 160,000 (5,000 more than in 1959) is the most widely read agricultural newspaper in France.

On the other hand, the peasant members of the Party are playing an important role in some departmental federations of farmers' unions, in the movement to safeguard the family farms, in cooperatives, in farmers' and sharecroppers' sections and in vinegrowers' leagues. They have made a useful contribution organizing and directing the struggle for the satisfaction of the farmers' demands.

The Party also devotes attention to the Agricultural Youth League and is trying to draw more peasant women into political life. It is anxious primarily to strengthen its own organizations by setting up new branches and improving their work. The Party believes that the defense of the peasants should be in the foreground of branch activity.

Only a truly revolutionary party can invest the peasant movement with political content, as Lenin said, and show that defense of the economic and social interests of the working peasants cannot be divorced from the struggle for peace and democratic freedoms, for the abolition of the one-man rule, and for genuine democracy.

Fernand CLAVAUD

Czechoslovakia: the Party looks at public education

IMPORTANT DECISIONS have been taken by the Central Committee of the Communist Party of Czechoslovakia on public education and vocational training.

Compulsory nine-year education for all children from six to 15 is the law in Czechoslovakia. Some ten per cent of the school leavers go to work and learn trades, the remainder go on to secondary schools of which there are three types: three-year general secondary schools preparing for enrolment in colleges, four-year technical schools for professional training, and vocational schools. To complete their secondary education the graduates of the third type may continue taking evening classes over a period of two or three years while holding down a job.

Enrolment in the general secondary schools amounts to 13-15 per cent of the total, in the technical schools 18-20 per cent, and in the vocational schools 55-60 per cent.

Implementation of the School Act has proved the correctness of the principles which the Central Committee laid down in 1959. Hence these principles — polytechnical education, a close link between schools and industry, compulsory education to the age of 15 with free access to secondary education, and emphasis on evening schools as the principal method of improving workers' skills — remain the basic precepts of our educational policy.

The democracy implicit in these principles has ensured the steady expansion and improvement of the educational system. Since 1959 enrolment in the vocational training schools has grown from 249,000 to 325,000, in the technical schools from 210,000 to 302,000, and in higher schools from 75,000 to 142,000.

It should be noted that the tendency towards extensive rather than intensive development of the economy which prevailed in the past led to insufficient attention being paid to education and professional training, and the consequences are still making themselves felt.

In spite of the unprecedented rate of growth of the educational system, it was able to provide in 1962 only half the number of college-trained specialists needed in industry.

The reorganization of economic management

undertaken this year promises to enhance the role of planning, in particular long-range programs, as well as of science and technology.

This presupposes a greater demand for specialists, not only because of the economic advance envisaged and the dictates of the scientific and technological revolution, but also due to the radical changes in the methods of management. It should be borne in mind that the old system with its emphasis on directives and hard-and-fast indices greatly impeded effective training, proper allocation and full utilization of skilled personnel.

Too little encouragement was given to people to improve their qualifications, and sometimes skills could not be used to full advantage because of directives and petty tutelage from the center. Now transition to management based on consistent observance of economic laws opens new opportunities for independent, competent choice of the most rational methods. And this gives free reign to scientific methods of management at all levels.

That the content and methods of education were allowed to lag behind requirements became evident from the growing number of complaints from higher schools concerning the inadequate grounding of the secondary-school graduates seeking admission, and also from the fact that dropouts amounted to some 18 per cent of the primary school enrolment. On the other hand, the curricula, in particular in the nine-year primary school, did not provide for the full utilization and development of the pupils' abilities and talent.

Besides shortcomings in the content and methods of education, the pedagogical and associated sciences lagged behind and failed to keep the schools in step with the rapid advance of science and technology. This, incidentally, was the case not only in Czechoslovakia.

Having discussed these shortcomings with educationalists, the Central Committee stressed the need to raise the tuition to the level of modern science and technology, using methods that would promote independent thinking and awaken a desire for knowledge. The young generation should be brought up as active,

conscious participants in the life of society. Hence, the content and methods of school education should be improved in every way, with a thoughtful, differentiated approach to the interests, talents and inclinations of the young people.

What are the measures proposed to improve the situation? Space allows us to enumerate only a few of the basic aspects.

The *nine-year school* is the key link in the entire educational system.

As we see it, the way to improve the nine-year school is proper differentiation of instruction. Most teachers agree on differentiation. But some fear that it will result in a certain discrimination against the less grounded or less talented children, and that the principle of a single, uniform, democratic primary school would be jeopardized. The consensus of opinion, however, was that *the uniformity of our basic school should be understood in the sense that it provides an equal education and equal opportunities for every child.*

This does not imply standardized teaching irrespective of individual inclinations and talents. In the past an insufficiently differentiated approach had a negative effect. Hence we consider it necessary to take into account the individual inclinations of senior grade pupils and to place greater demands on them in accordance with these inclinations.

One way of differentiating the approach to pupils is to have optional subjects which take into account the various interests and inclinations. It might be useful to introduce parallel classes of varying bias in the same school.

As regards the *trade and factory schools* which most primary school leavers enter at 15, the Central Committee has taken into account the many criticisms of excessive standardization of the theoretical grounding given in these schools. We consider it expedient to make the ground covered in both theory and practice dependent on the given trade. The curricula for some trades, e.g., electricians and printers, do not take due account of the rapid development of these branches and consequently do not give the young worker a high skill rating. In such fields the term of study should be extended. On the other hand, in branches like light industry or public services, the course covers an area exceeding both present and foreseeable needs, and hence should be reduced accordingly.

The Central Committee decision underscores the need to enable promising vocational-school pupils to acquire a full secondary education. The best way to do this is parallel instruction throughout the three-year course and during the subsequent two years, through evening classes, according to a standard curriculum. This will prepare more workers for entry into higher schools by the age of 20.

In the *technical schools*, the importance of which is generally recognized, the emphasis should be placed on improving instruction. In particular they should be more flexibly adapt-

ed to the changes taking place in industry and agriculture and to scientific and technical progress in general.

As mentioned above, the *general secondary schools* so far do not adequately prepare young people for entry into higher schools. The demands are not high enough, with the result that higher schools have had to include in their curricula subjects in which the secondary schools should give adequate grounding (a thorough knowledge of two foreign languages, some areas of mathematics, physics, etc.). This deficiency is the result of the view current prior to 1959 that all young people should finish secondary school, even if this meant lowering requirements. The general secondary schools are now called upon to raise the standard of teaching especially as regards the natural sciences and foreign languages.

The Central Committee devoted special attention to the problems of *higher education*. Emphasis was placed on the need to re-examine the curricula of some departments with a view to meeting the higher demands. Only if the graduate is properly grounded in theory and has an idea of the basic areas of knowledge associated with his own profession can he play his full part in introducing the new technology and independently deepen his knowledge.

Experience has shown that a too narrow specialization excludes all-round theoretical grounding and causes difficulties in placing graduates. Also recommended is the establishment of a system of advanced courses for specialists to keep up with the progress of science and technology.

Since it is obviously inexpedient to have courses of the same length in all higher schools, they are to be shortened in the next academic year in those branches where they are clearly excessive.

Correspondence study is gaining in importance. At present the technical schools have nearly 181,000 full-time students and 163,000 correspondence students; in higher schools the respective figures are 101,000 and 55,000. Without correspondence courses we should not be able to train the specialists we need.

But there are shortcomings in this sphere too. For instance, a large number of those enrolled do not complete the course, and the theoretical grounding of many of the graduates leaves much to be desired. The higher and technical schools should bear in mind that people combining work with study belong mostly to older age-groups with a good deal of practical experience. This should be taken into account in drawing up study plans. The enterprises where correspondence students work can and should render them every help.

* * *

The aim of these measures is to achieve a marked improvement in the level of knowledge and production skills, in a word, to ensure the *effective education* of the rising generation.

This is no less important than the fulfilment of economic tasks. We want our schools to play a decisive part in ideological and civic education, in giving the youth a Marxist-Leninist outlook, in moulding their character and instilling lofty moral qualities, and in physical and aesthetic education. An important place in school work is allotted to imbuing young people with a socialist attitude to labor, to participation in socially useful activity.

Experience has revealed a number of deficiencies in the educational system generally. The school reform carried out some time ago which resulted in a lowering of demands and shortened the term of study had a bad effect. It has been established that higher demands not only make for deeper knowledge but are an invaluable aspect of proper upbringing.

Teaching in higher schools necessarily includes instruction in Marxism-Leninism. So far, however, the level of instruction, despite the progress made in recent years, is unsatisfactory. The subject is often handled in a dry, formal way which conflicts with practical experience. And this may create an impression that theory and life are two different things.

The experience of qualified teachers who have approached the subject creatively shows that instruction in Marxism-Leninism can be improved by putting the emphasis on principled elucidation of the basic home and foreign issues and linking these with the specific subjects of the given institute. Work is now underway on study programs combining instruction in the fundamentals of Marxism-Leninism with fuller treatment of its practical application. More attention will be paid to its role in social reconstruction, as an instrument helping to shape the students' world outlook

and political convictions. This implies that in the technical higher schools, for instance, due attention should be paid to instruction in political economy, industrial economics, the theory of management and related subjects, such as industrial sociology and psychology.

The Central Committee decisions also note serious shortcomings in moulding the outlook of secondary-school pupils and stresses the importance of civics, the new subject introduced in the curricula of primary secondary schools.

* * *

While posing urgent tasks as regards improving school education and upbringing, the Party cannot overlook the fact that the decisive factor is the qualification of the teaching staffs. Although all teachers trained since 1959 have had a higher education, there still are some unsolved problems. For one thing, in recent years applicants for enrolment in the teacher training colleges include a very small percentage of males. Moreover, secondary school graduates with low credits are accepted in these colleges. We are aware, of course, that a radical solution of this problem also hinges on improving conditions for teachers.

The Ministry of Education and the government departments concerned have been instructed to introduce a new, simpler, more economical and more effective system of guidance for educational establishments.

The Central Committee stressed that the problems of education and upbringing should not be regarded in isolation from social development inasmuch as they are the concern not only of teachers but of society as a whole.

Zdenek URBAN

They are immortal

From the Vietnamese press

THEY CAME FOR HIM at dawn. But the executioners were cheated of their prey. Peasant leader Comrade Le Viet Thuat was dead. His interrogators had done their work. On the wall of his cell, written with his own blood, were the words:

"Long live the Communist Party of Indochina!"

"Long live the Soviets!"

It was 1930, the year when the scattered Marxist-Leninist organizations that had sprung up in Vietnam under the impact of the October Revolution and the world working-class movement merged in the Communist Party of Indochina. And the record of the Party ever since its formation is one of struggle and sacrifice.

The time is the same year of 1930. The place—a colonial courtroom in Hanoi. In the dock stands Comrade Nguyen Van Cu, in chains. He is thinking of the miners mercilessly exploited in the pits, the gaunt women worn out by back-breaking toil, the children with the faces of old men working sixteen hours a day under the scorching tropical sun.

Only recently he had been one of them, working in the mines and sharing the squalid huts in which the miners lived. Together with other comrades he had formed the first Communist Party branch in Mao Khe, and he was soon leader of the Party organization in the Hon Gai coal basin. For this "crime" the colonialists sentenced him to penal servitude on Con Dao Island. Throughout the six years in captivity he made use of every free moment to study Marxist-Leninist theory.

On his release in 1936 Nguyen Van Cu headed the Party organizations in North Vietnam and two years later was elected General Secretary of the Communist Party of Indochina. He initiated the National Anti-imperialist Front which united all the patriotic forces fighting against imperialism and its agents. In 1940 the colonialists succeeded in capturing this staunch Communist. In May 1940 he was executed together with Vo Van Tan and several other Communists.

"You can kill me but you will never make me speak. I may die, but the Party will live!"

That was the only "confession" the French



Nguyen Thi Minh-Khai

secret police were able to extract from Comrade Vo Van Tan after almost a year of torture in the dungeons of Saigon. The courage of this former Saigon rickshaw puller amazed the torture "experts." In the end the colonialist court condemned him to death.

As a matter of fact, the death sentence, passed in absentia, had been hanging over his head for ten years, after he had rallied the peasants of Duc Hoa district to fight for land and freedom in 1930. But he worked with re-

doubled energy. He headed the Party committees in the Cho Don and Gia Dinh provinces, attended the Party congress in Macao, and was elected member of the Central Committee.

"*The Party and the revolution are dearer to me than anything else,*" Ngo Gia Tu used to tell his comrades.

He knew of the ordeals that awaited him, but for him life meant service to the revolution, the immortal cause of communism. He was one of the first to carry the word of communism to factory workers in the South, and he organized the first Communist branch there. In 1930 he was leader of the Party for the whole of South Vietnam. When they arrested him the French secret police hoped by using barbarous methods of torture to extract information that would enable them to wipe out the Party in the South. But their efforts were foiled by this fearless Communist. When the death sentence was pronounced, his last words were:

"Down with imperialism! Long live the Communist Party of Indochina!"

Nguyen Thi Nghia was only twenty when she fell into the hands of the French colonial police. They tortured her for fifteen days, but she did not utter a word. Her country was dearer to her than life. When they led her to hear death she called on her fellow prisoners to avenge her death and to carry on the cause.

"I do not want to die, but I will not become a traitor," Comrade Hoang Van Thu, leader of the Communist Party organization of the North, told his interrogators. What you call a crime, I call love of country. I want to see my country free. I am simply doing what thousands of Resistance fighters are doing in France against the Hitler occupation."

One-time editor of the Communist newspaper *Tranh Dau* (Struggle) and a member of the Central Committee of the Party, Hoang Van Thu, turned the tables on his accusers. He denounced the men of Vichy for having betrayed their own country and for collaborating with the Japanese militarists, the allies of Hitler.

Comrade To Hieu, one of the first to carry on Communist propaganda among the workers in the Haiphong cement factory, was sentenced to six years hard labor. His health broken by tuberculosis and aggravated by torture and privation, he nevertheless continued to serve

the Party. The three books he wrote on the history of the revolutionary movement in his native land are today textbooks for those who survived to carry on the struggle.

The teachings of Lenin were the lodestar of the Vietnamese patriots. Leninism showed us the road to liberation, said Comrade Ho Chi Minh, addressing his people. Thousands of patriots took this road. Many of them were not destined to live to see the day of victory.

Among the many who perished at the hands of the colonialists was Comrade Tran Phu, the first General Secretary of the Communist Party, under whose leadership the Party charted the correct path to revolution. His courage under torture served as an inspiring example for all Vietnamese Communists.

Another fighter tortured to death by the French secret police was Comrade Le Hong Phong, an associate of Tran Phu. They also executed Comrade Nguyen Thi Minh-Khai, a leader of the Saigon Party organization, who joined the revolutionary movement when she was seventeen. Comrade Luong Khanh Thien, leader of the Haiphong workers, was felled by gendarme bullets. The martyrs are not with us today to see the workers' and peasants' state in Southeast Asia, the Democratic Republic of Vietnam. Nor are they among the valiant freedom fighters in South Vietnam battling against U.S. imperialism and its puppets. But their exploits continue to inspire the population of the South in their fight for independence, democracy and peace, for the peaceful reunification of their native land. It spurs the people of North Vietnam in the building of socialism.

The people cherish their memory. Songs are dedicated to them. The newspapers print the stories of the lives and struggles of the first Vietnamese Communists.

As they observe the 35th anniversary of the Party of Working People, worthy heir to the Communist Party of Indochina, the people of Vietnam and Communists all over the world pay homage to the memory of those who founded the revolutionary movement in our country.

They recall the words written by the German anti-fascist Walter Kuechenmeister, a few hours before his execution: "... We shall not die, we shall live forever!"

The glory of those who fall in the fight for freedom shall never fade!

Man in the "industrial society"

WHEN MAX WEBER predicted the rise of an "industrial civilization" in which the pastoral idyll would be supplanted by technology and magic by science, few could foresee the ideological consequences of his prophecy. Yet today the "industrial society" is one of the key precepts of bourgeois sociology. It is used to explain many of the objective features of the modern world, especially those connected with the technological revolution, the growing role of large-scale industry, the rise of great cities, the so-called "mass culture" and modern communication media, the changes in the structure and use of leisure time, and even peaceful co-existence and the prospect of abolishing world war in the contemporary social context. And, lastly, it is invoked when examining the whole gamut of problems connected with the relationship between the individual and society.

Marxist-Leninist criticism of the various "industrial society" theories presupposes not only theoretical rebuttal of the fallacies contained in them but, and above all, a positive examination of the cardinal problems of the scientific and technological revolution as posed by the evolution of capitalist society. For one thing, these problems are of interest to us because socialist society is faced, though in a qualitatively different social setting, with some phenomena analogous in form, relating, for example, to the growth of consumption, use of free time, demographic trends stemming from industrialization, the spread of culture, etc. How to solve these problems, and how to overcome the contradictions associated with them? To answer these questions is the duty of the Marxist sociologists both from the standpoint of understanding modern capitalism and from the standpoint of the development of socialist society and the prospects of the countries of the so-called third world which are now deciding what road to take.

Needless to say, all the problems, real and imaginary, underlying the bourgeois "industrial society" theories cannot be fully examined in one article. We propose, therefore, to dwell only on *some aspects relating to the status of the individual in modern capitalism.*

EQUAL OPPORTUNITY?

In the economic sphere, the "industrial so-

ciety" idea stems from the technological progress of recent decades, the rapid growth of production and economic potential generally, and the improvement in the standard of living in the developed countries. It is usually garbed in "new-found truths" which boil down to a denial of the fundamental significance of the nature and form of ownership of the means of production, the claim that class antagonisms and even distinctions between classes are "disappearing," and so on. The "Welfare State," the "revolution in distribution," and the emergence of a new type of society — the society of "equal opportunity" — are the fashionable theses.

To be sure, Rockefeller's daughter and the Chicago factory worker both drink milk, the President of the United States applauds the same movie stars as all other Americans, Wall Street tycoons and workers relax in the same kind of deck chairs and are fans of the same ball teams. In a word, the savants reason, all people, irrespective of social status and background, draw equally on the horn of plenty created by modern technology.

When speaking of "equal opportunity" for all, some sociologists feel that the term "capitalism" should be replaced with the term "society of leisure." The facts, however, show that this concept too, like the ballyhoo about "equal opportunity," is simply a catchword. Suffice it to compare the expenditure on holidays by the different social groups in the "society of leisure" in France. If the agriculture laborer's vacation spending is taken as 1, the picture for other sections is as follows:

Industrial workers	3.8
Middle-bracket technicians	25.0
Industrialists and men of Big Business	32.8 ¹

The point, however, is not only the different ways in which the various social groups spend their free time. The "equal opportunity" claim is disproved by the disparities in every sphere of life in capitalist society, and especially in the principal sphere — the *sphere of labor*. For capitalism the working man with all his spiritual potential and requirements is simply an instrument of production. As Marx said, the *growth of value* in the world of things

1. Gilbert Mury. "Les besoins ouvriers." *Cahiers du communisme*, No. 1, 1964. p. 55.

is in direct proportion to the devaluation of the world of men.

Alienated labor under capitalism turns the mass of men into appendages to the machine, engendering a tendency to erode the *human personality*. In recent times intellectuals, too, have been caught up in this process. The man in the white collar enters the drab world of the working man and, brought up as he has been in the traditions of the old individualism, discovers to his horror that now he is a mere cog in a vast production and bureaucratic machine and that his labor is subjected to the same process of levelling as that of the worker at the conveyor.

Capitalist society gives the impression of becoming a society of robots — not in the sense that cybernetic machines will control and destroy man as some science fiction writers see it, but in the sense that man himself will become an automaton without being aware of it. Aldous Huxley's "brave new world" in which science and technology serve a soulless machine, in which everything human and individual is ruthlessly suppressed, is what capitalist society with its alienation is logically headed for.

In the light of this the apologetic nature of the current discourses on the "revolution in distribution" and the "affluent society" is patent. What is one to think, for example, of the viewpoint put forward by the West German philosopher Gehlen to the effect that in present day Western industrial society all are "at the top" no one is "at the bottom," or his claim that the luxury of tycoons like Onassis or Rockefeller is not only taken for granted by society but "evokes in it a feeling of delight and gratification."²

Without going into such views in detail, it should be noted that not all theoreticians of the "industrial society" are apologists of capitalism. Objective reality has led even non-Marxists to the conclusion that contemporary capitalist society is a class society in which private property, notwithstanding all the talk about "dispersion of property" and its modification, determines the social relationships. Many serious bourgeois researchers and writers concede that the "equal opportunity" thesis has not abolished the inequality of the millions in the spheres of production and distribution. That such a specific philosophical term as "alienation" should have made its way from sociological research onto the pages of the newspapers is in itself symptomatic.

Some researchers have hopefully turned to the sphere of leisure. For instance the U.S. sociologist David Riesman says in his book *The Lonely Crowd* that in modern society the individual can hope to seek fulfillment only in leisure and recreation. But the conclusion he draws from the facts is far from optimistic. Leisure, according to Riesman, cannot com-

pensate for what has happened to labor; it not only cannot save labor but will perish with it; leisure can have meaning for most people only if labor itself has meaning.³ True enough. If work and social life do not give man the opportunity to apply his ability and talent, to savor the joy of life to the full, but deprive him of the faculty of thinking and feeling independently, how can leisure make good the deficiency?

Leisure divorced from and antithetical to labor and geared to the standards of the "little man" is bound to demean man and, consequently, to deepen the spiritual and ideological crisis of capitalism. No wonder even an optimist like J. Dumazedier, discussing the "civilization of leisure," anxiously asks: "Will not leisure become another opium for the people? The tendency which could lead the working man 'from alienation to enjoyment' might then come up against a contrary current from enjoyment of leisure to greater alienation through labor."⁴

THE GRIMACES OF "MASS CULTURE"

Western sociologists take a frankly pessimistic view of the "industrial society" when they pass from the sphere of production and material relationships to that of culture and public consciousness. The hymns to the "affluent society" and "abundance" give way to anxiety over the "crisis of contemporary culture."

The "mass man," as these ideologists see him, lacks his own inner criteria of thought and behavior and derives all his ideas, emotions and values from external sources, completely submitting to indoctrination by monopoly-controlled institutions and the mass communication media. Riesman sees him predominating in the USA today⁵ and Helmut Schelsky points to his presence in Federal Germany.⁶ Georges Friedmann adduces an analogy: "The dogs Pavlov immortalized by his famous experiments salivate, eat, bark, and are excited or inhibited in response to signals. Modern man, regrettably, is in the position of just such a dog in relation to advertising and propaganda."⁷

The "mass man," many bourgeois sociologists aver, is incapable of reaching the heights of culture. He is perfectly satisfied with synthetic fare. Hence, they conclude, the more widespread culture among the people generally the lower its level. Arnold Hauser, for instance, argues in his *Philosophy of Art* that this has always been the case.⁸ And since publishers,

2. A. Gehlen. *Anthropologische Forschung*. Hamburg, 1961, p. 132.

3. See D. Riesman and others. *The Lonely Crowd*. New Haven, 1963, p. XLV.

4. J. Dumazedier. *Vers une civilisation de loisir?* Paris, 1962, p. 43.

5. D. Riesman, op. cit.

6. Introduction to the German edition of D. Riesman's book (Hamburg, 1958, p. 13).

7. G. Friedmann. *Zukunft der Arbeit*. Cologne, 1953, p. 80.

8. *Culture for the Millions?* Edited by N. Jacobs. Princeton, 1961, p. 182.

TV and film companies, etc., are guided by mass demand, the more democratic culture becomes, according to this theory, the more will it be standardized, the lower the criteria by which it is judged and the greater the deterioration in taste.

Some Western researchers have classified people (and their cultural requirements) in three groups: the highbrow (the intellectual cream, an elite endowed with a discriminating taste), middlebrow (the majority of the intellectuals) and lowbrow (the "uncouth" multitude which, besides workers, includes all those not engaged in creative work, the highest paid included).

It is claimed that the first and smallest of these groups alone is capable of creating and appreciating genuine culture. As for the third and biggest group, its level is considered so low that a special "mass culture" is designed for it — a synthetic culture of comics, stereotyped Hollywood films, and variety shows, what the American journalist Dwight Macdonald has ironically dubbed "masscult."

This "mass culture" has become a new industry tapping a new market and bringing in lush profits. It is also a new instrument of "mass deception," of brainwashing, a new form of power wielded by those in the saddle, an illusory escape for enslaved man. It has been described as a "compensation," a synthetic world of make-believe, a new religion, opium for the people, and, indeed, this non-stop distraction purveyed by the entertainment monopolies is an endless race in a closed circuit, a raucous whirligig of monotony and spiritual and intellectual stagnation masquerading as movement.

"Masscult" is above all drab, stereotyped, depersonalized mediocrity. No wonder many Western sociologists, educationalists and journalists are alarmed. Aware that the spiritual culture of capitalist society is lagging behind its material and technological base, they are drawing attention to the lag. Macdonald, for example, cites a poll of U.S. graduate students who were asked to name the authors of twelve world-famous books (such as *Gulliver's Travels*, *Leaves of Grass* and *Origin of Species*); 39 per cent of those polled did not know more than three of the authors.⁹ A French research on the relationship between cinema and cinemagoers points out that art, increasingly, is turning from an instrument for fathoming life and man himself into mere entertainment offering an escape from life's problems.¹⁰

The most streamlined theory of "masscult" is that enunciated by the American sociologist Ernest Van Den Haag.¹¹ It is, he says, an offshoot of the "industrial society" dominated by mass production, and its basic features are:

1. The producers of the culture are divorced

from its consumers, as part of the general separation of production from consumption and of work from play. In large measure culture becomes a "visual sport" with the viewers contemplating that which they themselves have never experienced.

2. Mass production designed for the average taste or the taste of the majority inevitably involves standardization. And standardization, which cannot fully satisfy any taste, undermines all individuality. This is given added impetus by the technical media of mass production and marketing of cultural products.

3. Since culture, like any other product of the mass society, is produced mainly with a view to average consumer taste, the producers of culture achieve and maintain their privileged position not so much by cultivating autonomous tastes as by pandering to the established taste of the consumer.

4. The irresistible temptation of the mass market turns potential talent away from genuine creative endeavor. Why should the artist bother to create complex new things when simple mass production pays far better?

5. Most people prefer to escape from the realities of life rather than probe its secrets, to lull themselves with traditional, customary refrains rather than go to the trouble of breaking new ground.

6. People shun loneliness and unpopularity. The approbation of the environment becomes the sole moral and aesthetic criterion recognized by most.

7. Modern city life, which tends to isolate people from one another, impels them to seek escape from themselves and from any direct experience. So that while people are thrown more and more into contact with one another, their ties become looser. They become indifferent and indiscriminately tolerant. Their lives, like everything else around them, become more and more trivial, eclectic, devoid of any definite pattern.

8. One of the main purposes of the "mass culture" is to provide an antidote to boredom. Yet because it tends to make people cling to ready-made standard experiences, it prevents the individual from developing independently and enriching his personal experience. And this makes people's lives increasingly boring and vacuous.

THE "MASS MAN": THE MYTH AND THE REALITY

What is the Marxist view on all this philosophizing about "masscult" and the "mass man"? First of all, does Dahrendorf's¹² *Homo sociologicus*, who has ceased to be a personality in his own right and has become a mere performer of functions, of social roles, really exist? Are Erich Fromm¹³ and those who think

9. D. Macdonald. *Against the American Grain*. New York, 1962, p. 406.

10. J. Dumazedier, op. cit., pp. 147-148.

11. *Culture for the Millions?* pp. 58-59.

12. R. Dahrendorf. *Homo sociologicus*. Cologne-Opladen, 1959.

13. Erich Fromm. *Der moderne Mensch und seine Zukunft*. Frankfurt, 1960.

as he does right when they claim that the "death of personality" is the characteristic feature of our century?

The views of the bourgeois sociologists on the "affluence" and "equal opportunity" of the "industrial society" — phenomena engendered by objective developments and stemming mainly from the expansion of the productive forces — do not harmonize with the facts.

But to assess all the theories about the "industrial society" as mere "tools" of imperialism, or as sheer nonsense or as theorizing with malicious intent, would not be a Leninist approach to bourgeois ideology. Any underestimation of important gnosiological and ontological aspects of this ideology can only weaken the efficacy of our criticism. Even ideas expressing the class interests of the bourgeoisie are not merely its "tools"; they are also symptoms, features, distorted reflections in a crooked mirror of the time and of capitalist society. Hence Marxist-Leninist criticism of this distorted reflection in addition to revealing its class roots, its motives and, frequently, its apologetic function, should help also to find a positive solution for the real problems glossed over in the concepts which bourgeois philosophy is powerless to resolve.

In particular, the "masscult" and "mass man" notions point to many serious processes and phenomena in the contemporary capitalist world. The anxiety evinced by many sociologists over the patent crisis symptoms evident in Western culture and ideology is fully justified. And it would be strange if Marxists were to take a less critical attitude to these phenomena than some of the leading Western ideologists.

But the concept of the "mass man," whom the bourgeois sociologists now recognize, whom they now deny, now criticize, and now foster, is not only a reflection of real-life processes; it is also the substance and the product of illusions and class fear, a distorted reflection of some of the traits engendered in man by modern capitalist society, an exaggerated and hence false generalization of some objective aspects of life associated with the depersonalization of man by capitalism.

Above all we resolutely reject those elements of the criticism of "mass culture" which, reducing the problem merely to conservatism, to ignorance and the vulgarity of the mass taste, ignore the acute social contradictions blocking the advance of culture. A materialist examination shows that the real state of affairs is much more complex.

Needless to say, one can hardly deny that the artistic tastes of the mass consumer still leave much to be desired. They must be developed, all the more since they are being systematically distorted by the "mass culture" media.

Yet the crux of the matter lies not in this but in the nature of the entire system of social relations. The worker who spends the day

from morning till night performing a monotonous mechanical job at the conveyor is hardly in a position to assimilate the higher values of spiritual culture. As a matter of fact, culture may seem to him a useless, even annoying burden since he can find no application for it. The need for genuine culture arises when man begins to fight to change his way of life and the nature and meaning of his endeavors. In this sense the problem of placing the modern mass culture on a sound basis, of deepening its content and raising its level, is closely linked with the need to change the social mode of life of the millions.

It is the social activity of the masses which sustains the democratic traditions in contemporary culture. On the other hand, a lofty humanistic culture inevitably frees man from the hypnotic grip of the established way of life and engenders a critical approach to reality. Because of this, despite the prevalent "mass culture" which bourgeois sociologists have sized up and described accurately enough, there is a powerful undercurrent aimed at making genuine culture, which is striking deeper and deeper root among the people generally, accessible to all. In France, for instance, such excellent films as *The Wages of Fear* and *The Road*¹⁴ were resounding box-office successes (though the same can be said of some second-rate pictures). And the classics and works by leading contemporary writers are published and sold in editions running into millions. Every country affords numerous examples of this order.

The trend towards loss of individuality under the impact of the "mass culture" and the entire way of life in the countries of technologically advanced capitalism is an indisputable fact. But, as in other spheres, here too the alienation in evidence contains the seeds of its own negation; this is particularly patent in the deepening crisis of capitalist society. Wherever a danger exists the means of countering it also develop. "Mass culture," needless to say, produces a definite type of consumer, but there is also an opposite trend, expressed in the progressive, humanistic culture of our time, in the work of forward-looking artists protesting against the depersonalization of man. In this connection the producers of "mass culture" often complain that it tends to boomerang. For no tendency towards standardization of culture can completely paralyze the progressive creative artist. The world balance is changing, and wherever progressives exert organized pressure on the forces of reaction, wherever they draw on the growing activity and rising cultural level of the people generally, opportunities arise (as a rule through a complex struggle) for the growth of advanced culture and the creation of true works of art.

Therefore, when examining the real content of the "masscult" and "mass man" theories, we must also refute the contention that the

14. J. Dumazedier, op. cit., p. 77.

behavior of the "mass man" is conditioned by social pressures as inescapably as the behavior of physical bodies is determined by the laws of physics (Hans Freyer). The truth is that man can by his own activity prevail over and reconstruct the capitalist social system despite its "dehumanizing" determinism.

Lack of understanding of this historical dialectic is the weak point of many of the works by the proponents of nonconformism and sociological criticism in the USA. The late Wright Mills, for example, unquestionably did much to expose the machinery of power and its links with the dominant financial, political and military castes. Yet his analysis of the seats of all-determining power does not find among the completely habituated and "dehumanized" robots a force capable of changing the system. As a result, the status quo appears to be immutable.

Actually the "mass man" wholly tailored by others does not exist. There is a flesh-and-blood man who, even in the conditions of capitalist alienation, actively determines his life and his attitude to life. And this holds out the promise that radical changes can be effected in the conditions engendered by alienation, by the rule of things over man, conditions that presuppose completely preconditioned human behavior. H. Aptheker, an American Marxist, points this out in his *The World of Wright Mills*.

But for all its inconsistency, the critical concept advanced by Wright Mills and some other American sociologists is a fruitful concept. It should, therefore, be elaborated through an analysis of the actual social conditions in order to bring the progressive trend among Western intellectuals closer to the forces which are making history in our time.

"HOMO CONSUMMENS" SUBSTITUTION OF IMAGINARY PROBLEMS FOR REAL

The classics of Marxism pointed out that not only the subjugation of man by man, but also the subordination of man to things and the blind operation of the "natural" laws of the capitalist mode of production were features of capitalism. As Engels said, "the very product of the worker is turned into an instrument for his subjugation."¹⁵

The tendency for man to become a "function" of things is even more pronounced in the conditions of modern monopoly capitalism. "Today things have gained the upperhand and become the master of man," so writes Erich Fromm. The main result of this is a passive, purely utilitarian attitude to life on the part of the "dehumanized" man. "Man is transformed into the consumer, the eternal suckling whose one wish is to consume more and 'better' things."¹⁶

Fromm's *Homo consummens*, like Darendorf's *Homo sociologicus*, is largely a hypertrophied reflection of real-life phenomena, a specific manifestation of disturbed sociological imagination. Needless to say, capitalist production relations based on exploitation and profit prevail also in the spheres of distribution and consumption. This is what Schelsky, for instance, has in mind when he says that "in his 'free time' the man of our society falls under the sway of another compulsory law of industrial society, namely the compulsion of consumption."¹⁷ This tendency for man to be enslaved by things should, unquestionably, be subjected to thorough theoretical analysis.

The elements of criticism of this consumer-attitude contained in contemporary bourgeois sociology, however, have nothing in common with actual examination of real problems and run counter to the Marxist view. Akin to the so-called concepts of "criticism of culture," they idealistically counterpose man's spiritual element to the technological, mechanical and physical aspects, which are interpreted exclusively as negative. Such "aristocrats of the spirit" as Freyer and others, are beginning to see "dehumanization" of man in any satisfaction of material needs. To them the driver of a car is simply a "function" of the steering wheel, and a man who eats turkey, a "function of the turkey."¹⁸

Clearly, such criticism of the capitalist "consumer-attitude" which, incidentally, has found an eager response among some contemporary proponents of asceticism, is remote from any genuinely dialectical analysis of historical processes and can only veil the substance of the problem.

Needless to say, modern man is threatened not by the motor car or the turkey as such. The threat is contained in the capitalist appropriation of these things, an appropriation which subordinates the individual to itself, which impoverishes and standardizes him and breaks down the natural criteria of values. As for all these things "in themselves," which modern society makes available in large quantities, they, unquestionably, are an expression of historical progress and the material prerequisites of a life more worthy of man. For we cannot get away from the fact that the "alienated" man whom we criticize, the man who has become a "function" of the steering wheel, is historically a higher form as compared with the slave functioning as a beast of burden.

Marxist-Leninist criticism of the "consumer-attitude" typical of modern capitalist society is directed against those who would make a virtue of necessity and represent asceticism as the acme of progressive, even socialist, thinking. The people of the socialist countries,

17. H. Schelsky. *Zukunftsaspekte der industriellen Gesellschaft*, Hamburger Jahrbuch für Wirtschafts- und Gesellschaftspolitik, Tübingen, 1956, p. 38.

18. H. Freyer, *Theorie des gegenwärtigen Zeitalters*. Stuttgart, 1955, p. 89.

15. Frederick Engels. *Anti-Dühring*.

16. E. Fromm. *Let Man Prevail. A Socialist Manifesto and Program*. New York, 1960. p. 10.

like the millions of working people still living in capitalist society, do not visualize their future as Paradise purified of everything material which they can enter only through the eye of a needle. Marx, as we know, spoke of the "corporeal man firmly planted on the well-rounded earth and absorbing and radiating all the strength of nature." The spiritual problems of angels who do not "sin" and who are not susceptible to the "temptations" of the world, he left to the Churchmen.

The argument that "sinful desires," which include material needs, vulgarize and destroy the world of ideas is part of the stock-in-trade of those who claim Marxism is utopian. For instance, Hannah Arendt, assails in her *Vita activa* the basic Marxist proposition that rapid development of the productive forces can create a society of abundance founded on equality and the fulfilment of the human personality. "One hundred years after the death of Marx," she writes, "we know that his conclusion was false. The free time of the *animal laborans* will never be used for anything but consumption, and the more free time he will have, the more insatiable his cravings and requirements. . . ." ¹⁹

The point is that Marx had in mind an entirely different kind of society, a society in which man's needs are satisfied without the dismal prospect of cultural impoverishment and universal standardization, a society where the wealth-poverty antithesis is supplanted by the *rich man, rich by virtue of his opportunities and his requirements*.

The future of historical progress in general and of socialism in particular depends not on the mode of consumption but on the mode of production. Hence the attention Marx and Engels devoted to the study of the industrial revolution, including its technological aspect. Unlike many professors in the humanities, they underscored the profoundly humanistic, historical significance of labor in industry; they saw in it the key to the solution of the contradictions between man and nature.

Today too some theoreticians tend to ignore this aspect of the materialistic conception of history. Lenin made a point of this in his notes on Marx's *The Holy Family*: "'Or does Critical Criticism' — Marx replies — 'believe that it has reached even the beginning of a knowledge of historical reality so long as it excludes from the historical movement the theoretical and practical relation of man to nature, natural science and industry? Or does it think that it actually knows any period without knowing, for example, the industry of that period, the immediate mode of production of life itself? True, spiritualistic, *theological*, Critical Criticism only knows (at least it imagines it knows) the major political, literary and theological acts of history. Just as it separates thinking from the senses, the

soul from the body and itself from the world, it separates history from natural science and industry and sees the origin of history not in vulgar *material* production on the earth but in vaporous clouds in the heavens'."

As we see, the critics of Homo consummens are no better able than the modern critics of "mass culture" to cope with scientific analysis of the real problems of the time. These problems can be solved only from the positions of materialistic dialectics. Only a Marxist analysis of all the material can provide an answer to the questions posed by objective processes and at the same time constitute a reliable barrier to false interpretation of facts in the spirit of anti-communism.

The numerous researches published recently by Marxist sociologists and economists in both socialist and capitalist countries (*Gaullism, Technocracy and the Corporative Concept* by Jacques Duclos, works by Italian Marxists developing the fruitful ideas of Gramsci set forth, for instance, in the article *Americanism and Fordism*, etc.) are examples of such analysis.

These researches are important from the standpoint of charting the socialist reconstruction of society in countries of technologically advanced capitalism. They also enable us to make a deeper study of the problems of building socialism, to examine phenomena and features, analogous in form, in the capitalist world and in the socialist world; and at the same time to refute one of the main arguments of all the "industrial society" theories, namely, the argument that the problems of the two worlds, which some theoreticians describe as "two variants of one type of progressive industrial society," are identical. Such a study would show the *qualitatively different* consequences of the utilization of modern technology and the spread of culture under different socio-economic formations.

Scientific, strictly differentiated criticism of the theories of the "industrial society" deepens our understanding of the problems of the technological revolution which the development of our socialist society poses before us; it helps to overcome national exclusiveness and provincialism, insular attitudes, which in the conditions of isolation may be propounded as the ideal. It is not only one of the possible avenues but a *necessary aspect of the Marxist-Leninist approach to the theoretical and practical solution of the problems of our time*.

Some time ago a symposium headed *Where Are We Today?*, consisting of articles by Karl Jaspers, Arnold Toynbee, and others appeared in West Germany. The theme of all the articles is the acute, protracted and, from the authors' standpoint, practically insoluble ideological crisis of modern capitalism which they qualify in one or another way as a "vacuum of values."

19. H. Arendt. *Vita activa oder vom tätigen Leben*. Stuttgart, 1960, p. 120.

20. V. I. Lenin. *Conspectus of the Book The Holy Family by Marx and Engels*.

The theories about the "industrial society" are an attempt to fill this vacuum. True, the theoreticians make a point of stressing the "objective," "unbiased" character of their concepts. Yet the affinity of their ideas with those of the ruling class can be detected here as easily as in all the other postulates of "pure sociology." It is noteworthy that Dahrendorf, the West German sociologist, describes the concept of the "industrial society" as the fruit of sociological fantasy, and the semblance of objectivity of the theories based on it, as "an ideology parading as a science" designed to justify social inequality and the deepening differentiation within modern capitalist society. The bureaucrats, managers and experts, Dahrendorf says, are an invisible ruling stratum which tries desperately to hide the fact from the public. Hence they need a "neutral ideology" the apologetic nature of which would not be too obvious.²¹

At the recent sociological congress in Heidelberg on the occasion of the Max Weber centenary and attended by the cream of official Western sociologists, many speakers admitted that all the attempts at rational guidance of society in the conditions of modern "over-ripe" capitalism are doomed to failure.

In these conditions "planned obsolescence," which is methodical nonsense, becomes a social necessity, the U.S. philosopher Herbert Marcuse said. At the present time, he said, the bourgeoisie cannot be described as a class

21. R. Dahrendorf. *Gesellschaft und Freiheit*. Munich, 1961, p. 26.

that is developing the productive forces; what we are witnessing can only be called destruction of production in the conditions of totalitarian power.²² In these circumstances technological development is an expression of the domination of man by man, "technical thinking" engenders slavery.

Weber's mistake, Marcuse continued, was that he identified technological thinking "in general" with bourgeois-capitalist thinking. This, according to Marcuse, prevented Weber from realizing that the "dehumanizing" effect of technology was associated only with the capitalist mode of its utilization; in another social context technological thinking could be an "instrument of man's emancipation."²³

That is true. No technological discovery, however epoch-making, impinges on man directly, but only through social relationships. The nature of these relations, as we know, can vary greatly. In capitalist society it is determined in the final analysis by capitalist ownership of the means of production which inevitably gives rise to alienation and fetishism in their extreme forms. Socialist production relations, on the contrary, are the only humanistic conclusion to be drawn from all past human history and, therefore, represent not only the emancipation but, in the present conditions, the survival of the human race.

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22. H. Marcuse. *Industrialisierung und Kapitalismus*. Paper read at the Heidelberg Congress, p. 6.

23. Ibid.

President Johnson's "Great Society"

IN PRESIDENT JOHNSON'S State of the Union message and inaugural address he envisioned what some call a new "American Dream," the prospect of a "Great Society." He promised lots of things for almost everyone. The Republican opposition has borrowed a title from a popular song to describe his grandiose dream, "All this and heaven too." One could make a fairly good case by cynically, out of narrow partisan political considerations, dismissing the whole thing as high-sounding words and pompous phrases, or in the language of the average American, as so much hot air and ballyhoo. Such a judgment, however, would be superficial, irresponsible and cynical, at best an exercise in rhetoric. This is not to deny that there is a gap, even an abyss, between the words and the deeds. In this article we intend to deal with this gap.

WORDS AND DEEDS

The "Great Society" concept, derived, as we know, from an election campaign slogan advanced by Johnson in the argument with Goldwater. The concept, at first vague and indefinite, as most election slogans in the USA are, and designed to attract all and alienate none, gradually came to mean all the concrete legislative measures of the Johnson government from the civil rights bill, the war against poverty and social-security reform to budget allocations for city and town planning and beautification. The "Great Society" concept which bears the imprint of eclecticism and of the President's personal ambitions, is, in effect, a widely publicized program of bourgeois-liberal reformism.

The proposals advanced by President John-

son require a sober, deeper and responsible estimation. Some commentators have drawn the conclusion that the President was primarily looking inward into the USA and underplayed the questions of the outer world. This, too, is a superficial and onesided estimation. In our time no country, not even the USA, can live in isolation, separate and apart from the major problems confronting the other countries of the world. The State of the Union message should be seen in the first place in the context of the present world setting.

IN SEARCH OF ALTERNATIVE

President Johnson's concept of the "Great Society" is a response to the revolutionary challenge of our time — the image of the "Great Society" is presented as a counterweight to the image of socialism. He seeks to present a program, a goal in opposition to the Program of the CPSU, which envisages the creation of the material basis of communism. It is at the same time a response to the programs of the Communist and Workers' parties in the highly developed capitalist countries setting forth their respective roads to socialism. It is a response to the national and social revolutions in the former colonial countries.

For some considerable time Western sociologists have been complaining bitterly about the absence of inspiring ideals and goals in the Western world. Socialism, they acknowledge, albeit grudgingly, holds the initiative in showing the way forward for social advance. Socialism is the point of attraction for the hundreds of millions of people in motion in our rapidly changing and turbulent time. In the competition for people's minds, they maintain, it is essential for the West to set lofty ideals if the march to socialism is to be halted and reversed.

THE CAPITALIST PATH ADVERTISED

In recent years U.S. propagandists and sociologists have been emphasizing two main themes:

1. The USA is the most developed country, occupying first place in the world in terms of economic strength and power.
2. The USA was the first country in the world to win independence from colonialism through a revolution and has become the most powerful country in the world by following the capitalist path.

Therefore, the argument goes, those who desire national independence and the overcoming of backwardness should follow the example of the historical evolution of the USA. This argument appears simple and carries a certain air of plausibility, at least to the authors. They find it, however, difficult and even impossible to understand how it is that these people refuse to follow the example of the USA and are seeking an alternative road. All that is left to them is to consider these peo-

ple either stupid or ungrateful for refusing to accept the "gracious," "disinterested" advice and leadership of the USA, the self-styled leader of the "free world."

The rulers of America, who say they sympathize with the peoples fighting for national liberation and who talk to them about America's war of independence, actually dread the revolutionary trends of today and are up in arms against them. This is best illustrated by the fact that the United States everywhere takes part in military operations on the side of the reactionaries, that is, those who are against progressive, revolutionary changes. It follows that the USA has become the bulwark of world reaction and counter-revolution, a world usurer and policeman robbing other peoples and preventing them from building "great societies" in their own countries.

All the people have to do is look northwards across the U.S. border to Canada, or southwards to Latin America, or to Southeast Asia, or to the Congo or to any other part of the non-socialist world and they can see at a glance the fruits of U.S. "benevolence and disinterested" advice, aid and leadership. The picture is not a nice one, and that is the crux of the matter. You shall be judged by what you do, not by what you say, gentlemen.

What is more, a serious analysis cannot but take account of the fact that the world today is fundamentally different from the world when Britain's North American colonies revolted against British rule. The USA came on the world scene at the dawn of capitalism, and capitalism was historically a progressive social system compared with feudalism. In our time capitalism has entered upon its twilight. Historically it has outlived its progressive role. A new social system — socialism — has come on the scene embracing one-third of the world's population and changing the balance of world forces. It is not necessary for those countries which have emerged from colonialism to go through the painful process of capitalist development. Experience shows the underdeveloped countries that they can bypass capitalist development and make rapid strides to become modern countries. Mongolia and the Central Asian Republics of the USSR have demonstrated that this course of development is not only possible but is most beneficial.

None are as blind as those who have eyes but refuse to see. The reality of today is that the former colonial countries face the alternative: the capitalist or the non-capitalist road of development. There was no such alternative when the USA appeared on the world scene. The alternative, and consequently the choice, appeared in the world and became possible with the emergence of socialism as a world system. The U.S. ideologists refuse to see that the people in the former colonial countries and the people in the highly developed countries are becoming increasingly aware of the negative consequences of capitalism with its his-

tory of wars, crises, unemployment, poverty amidst plenty, the degradation of man, the insecurity, the hopelessness, racism, national and social discrimination, the ideology of the almighty dollar; that the twilight of capitalism is beset with insoluble social and cultural problems. Those people who have not experienced the classical capitalism with all of its hardships and painful development are determined to bypass it and those who have experienced the "blessings" of capitalism want to find the way to end it and bring into being the next higher, richer, fuller and humane social formation — socialism and communism.

Some Western propagandists and sociologists are becoming aware that their case is weak and therefore unacceptable. The case is weak and unacceptable mainly because the USA itself is beset with serious social problems and these problems undermine the attempts to present the USA as a model and point of attraction.

PERTINENT QUESTIONS

President Johnson in his State of the Union message and in the inaugural address attempted to put the American house in order seeking to repair the negative image of the USA at home and abroad. The "Great Society" is calculated to make a more acceptable and a more attractive case.

Indeed, how can one challenge socialism and its ideas of equality and social justice when in the most highly developed capitalist country in the world over one-fifth of the people live in poverty? How can one win the support of the peoples when about 20 million Americans, with dark skins, are denied elementary civil and democratic rights? What image do you present to the world when people are jailed, clubbed and murdered for the "crime" of desiring to register for the right to vote, to sit in a bus, on a park bench, in the restaurant or theatre of their choice? What sort of image do you present when people are denied the right to work, to study, to live in the place of their choice? What image do you present when a crime is committed almost every minute of every day? What sort of image do you present when the young people who come annually on the labor market find it difficult, almost impossible to find jobs? What sort of image do you present when in the midst of the most far-reaching revolution in science and technology more and more working people who have created the wealth of the nation are considered superfluous and unwanted?

One could go on and on asking these pertinent questions. In the State of the Union message the President posed some of these questions and attempted to provide some answers.

A STRANGE WAR

It is undeniable that the very posing of these questions, even if the answers are inadequate,

constitutes an advance. But while it is true that questions have to be posed before they can be answered, it is equally true that the mere posing of them does not constitute solutions or answers. The President officially exploded the myth of the "affluent" society. Now the whole world knows that over one-fifth of the U.S. population live in poverty. Incidentally, it should be noted that, with a stroke of the pen, the proportion of the poor has been drastically reduced. A short time ago all Americans who earned less than \$3,000 a year were considered to be living in poverty. In the President's message the poverty line is reduced to \$2,000 a year. Poverty has thus been reduced on paper, but the conditions of those who earn \$3,000 a year have not been improved by this arithmetic. Whether the percentage is one-third or one-fifth the problem is serious and has to be tackled in a serious way.

How is the "war on poverty" to be waged in the context of the "Great Society?" About one billion dollars is to be allotted for this war, or about one per cent of the close to \$100 billion budget. Surely this is not a winning war. Certainly it is the kind of war that the people of the USA will wholeheartedly support. The over 60 per cent of the popular vote for President Johnson in the November election constituted a mandate for his administration to go full speed ahead with its many-sided "war on poverty." President Johnson has no excuses, he cannot plead that the majority of the people are not solidly behind him for an all-out effort to end poverty in the USA. All means are available to tackle this job seriously and fully. But how can one seriously tackle this problem when about one billion dollars is allotted for this "war" while for the war of atomic destruction almost \$50 billion is allotted? How can one boast that the annual national income has reached over \$600 billion when only about \$1 billion is to be spent on the "war on poverty"? This amounts to about one-sixth of one per cent of the national income to tackle a problem which is officially admitted to embrace from one-fifth to one-third of the people of the USA. This is like trying to empty the Pacific Ocean with a teaspoon. It is a striking example of the abyss between the words and the deeds of the U.S. rulers.

THE ENLIGHTENED UNEMPLOYED

The emphasis on education or retraining is, no doubt, an important part of the problem. But what evidence is there that education or retraining will in themselves solve the problem? What about the thousands of annual school-leavers who never find steady jobs? After all, almost one in five Americans between 16 and 24 years of age is unemployed. The American educational system is experiencing a crisis. This is admitted by almost all educationists. In our era of the revolution in science and technology knowledge of the three

R's — is not enough. One requires the kind of education which will prepare you to meet the challenge of the age of electronics, cybernetics and automation. Just to teach the people living in poverty to read and write will hardly answer the demands of the modern labor market.

To keep the record straight it should be recalled that over 30 years ago President Roosevelt declared that a third of the nation was "ill-clad, ill-fed and ill-housed" in America. It is, of course, undeniable that the working people of the USA have raised their standard of living since then. They did this by their militancy, by their heroic struggles, by the organization of trade unions and by combined efforts. Their struggle to raise their standard of living has been assisted by the objective process of the rise in the value of labor, in the greater productivity of labor as a result of technological advance. What were at one time considered luxuries have become necessities — the automobile, TV set, refrigerator, and the washing machine. Efficiency of labor and its value have increased with the growing ability to produce abundance in less socially necessary labor time. Everyone knows that despite the wage increases the unit cost of production has been greatly reduced. It is this which impels the working people to demand a greater share of the fruits of their labor. The advances made by the American working class have been assisted by the influence of the world socialist system, even if the majority of the people who enjoy the benefits are not as yet fully aware of this historic truth.

THE MONOPOLY OCTOPUS

Yet, despite the higher standard of living, the number of people living in poverty has not appreciably decreased. The reason for this state of affairs cannot be found in the realm of education. It is to be found in the very nature of the society, more particularly in the stranglehold of monopoly. The solution to the problem of poverty amidst plenty is to commence the process of curtailing and finally breaking the monopoly octopus with its tentacles in every crevice of life. Nor is the monopoly octopus confined to the economic sphere, the sphere which controls the jobs and determines who shall have and who shall not have the right to work. It has tightened its hold also in the sphere of what is called the moulding of public opinion.

A handful of newspaper chains monopolize the press, radio and TV, determining the use of the modern information and propaganda media. The democratic rights of the people and their spokesmen to voice their opinions, to present an alternative to that of the monopolies, are thereby limited and in many cases reduced to nil. In practice, this monopoly results in a peculiar "money censorship" which nullifies the claims about freedom and democracy and other lofty features of the "Great Society."

President Johnson's administration as the representative of monopoly, while putting forward the high ideals of the "Great Society," at the same time exhorts the working people to be moderate and refrain from demanding "excessive" wage increases, job security, better medical care, shorter working hours, and a greater share of the fruits of automation. It is claimed that these demands will add to the cost of production, raise prices, cause inflation and reduce the ability of U.S. goods to compete on the world market. But very little, if anything, is heard about measures to limit the ever-growing profits of the monopolies. By all the laws of economics and logic, prices should be falling and not rising because the unit cost of production is continually being reduced by technological developments and more intensive exploitation of labor. Yet prices go up and up because of monopoly control. This takes place despite the anti-trust laws banning monopoly prices.

FIRST AID INSTEAD OF CURE

The "Great Society" proclaimed by President Johnson is not as great as it appears if examined in terms of the 1965 budget, beginning next July. The budget proposes to spend \$99.7 billion. For the "Great Society" the President proposes to spend \$3.6 billion, which includes expenditure for the "war on poverty." It is estimated that out of every tax dollar collected, only 11 cents will be returned to the people in benefits, including the new "Great Society" expenditures. For armaments, war preparation, military adventures, foreign commitments, etc., the government will spend 56 cents of every tax dollar. The bankers will get 12 cents as interest on the huge government debt.

It is not only the "Great Society" which is going to suffer from inadequate expenditure, the enforcing of the Civil Rights Law will suffer from lack of funds. The President proposed a cut of \$8 million for the Department of Justice. This would not be bad if it were accompanied by the repeal of the reactionary Smith and McCarran Acts and by a halt to the persecution of Communists. But this does not appear to be the case, it is rather enforcement of the Civil Rights Law which seems to be the victim of this cut in expenditure.

Education, said President Johnson, "is our primary weapon in the war on poverty and the principal tool for building the great society." But he only proposed to spend \$2 billion as an immediate appropriation, with \$600 million to come later. This \$2 billion is only \$500 million more than the appropriation for education in 1964. So the "primary weapon and the principal tool" was provided with \$500 million more than a year ago, before the "Great Society" was proclaimed. Again, what an abyss between words and deeds!

INCOMPATIBLE ENDS

People often ask where the money for the

"Great Society" is to come from. It is estimated that during 1964 the United States gold supply shrank by about \$3 billion and the balance of payments has been running unfavorably for the last few years. During the past two decades, the cost of maintaining over 400,000 American soldiers in Europe alone is said to have ranged between \$6 and \$8 billion annually. One year's military cost in Europe is more than twice the annual outflow of gold. If we add to this the enormous cost involved in the war in Vietnam, the "pacification" of the Congo, and the U.S. military bases all over the world it becomes clear to what extent wealth produced by the working people is squandered by the military-industrial complex. It is legitimate to ask, how does this jibe with the lofty concept of the "Great Society"? If only a fraction of this wasteful expenditure was spent on the war on poverty and the "Great Society" the chances of its realization would be greatly enhanced.

American economists have said that ending the arms race and sharply reducing the manufacture of armaments need not necessarily add to unemployment or cause an economic upheaval. The facts and figures they cite show that it would not be long before the economy could fully make good the losses incurred by stopping arms production and create conditions for rapid economic progress generally. In any case, the very notion that employment hinges on quantity production of arms is an indictment of capitalism.

It is a mockery of the concept of the "Great Society" when American servicemen are fighting and dying in a dirty war over 10,000 miles away in Vietnam. It would be an important step forward if the American servicemen were brought back home to rejoin their families. The people of Vietnam could then resolve their problems in their own way, free from outside interference. *The real concept of the Great Society is not only freedom from want, it includes freedom from fear and above all freedom from war.* Has President Johnson forgotten to include this in his concept of the "Great Society"?

It should be obvious that the "war on poverty," can only have meaning provided the world is at peace. You cannot proclaim the concept of a "Great Society" and at the same time fan the flames of war as the Johnson administration is doing in Southeast Asia and elsewhere, refusing to take steps to end the arms race.

The world has been shocked by the U.S. aggression against the Democratic Republic of Vietnam. People wondered whether these acts were a component of the "Great Society." While American bombs were dropping on villages, on hospitals, on Vietnamese women and children, President Johnson in his message to Congress proposed transforming the United States into a country of "charm and beauty."

How scornful of people's intelligence the Pentagon and the White House show them-

selves these days. First they landed mercenaries in the Congo, using U.S. aircraft, and called it a humane mission. Then they bombed North Vietnam and called it self-defense. Yet those acts can only be described as wanton provocations against world peace.

COMMUNIST PROGRAM

The concept of the "Great Society" sounds fine enough but is vague and general. If it is to have real meaning it has to be brought down to earth and clothed with substance. The Communist Party of the USA in its economic program to end poverty and unemployment outlined in clear terms the measures required to give the working people real benefits rather than vague promises. The Communists stated their position towards the "war on poverty" as follows: "We are prepared to join wholly and without reservation in such a war. But if it is to be truly 'unconditional war,' we must go far beyond the very limited program which President Johnson proposes. Such a war cannot be half-hearted or limited to 'band-aid' remedies. It must be determined and unrelenting, and must go to the heart of the problem. It must be a *total* war."

After declaring their readiness to join actively in such a war the American Communists urged the people to go to "the heart of the problem." The heart of the problem is to determine first of all the real cause of unemployment and poverty in America. Here is how the American Communists see the main cause of the problem:

"The basic cause of unemployment and poverty, therefore, is not automation, nor is it personal shortcomings or misfortunes. On the contrary, *the cause is an economic system in which production is for maximum private profit instead of for maximum public good.* It is an economic system in which prices are jacked up while wages are held down, in which tens of billions of dollars a year are wasted on armaments and other unproductive expenditures while the people are deprived of vital social needs, in which human needs go unfulfilled while millions go hungry and jobless, in which abundance itself leads to poverty and privation. In short, the cause of poverty today is monopoly-dominated capitalism, and the war against poverty is a war against monopoly greed."

The Communists of the USA, being fully aware of the connection between the fight against poverty and the fight for peace and disarmament, advanced concrete proposals in their program to end poverty and unemployment in America.

"The fight against poverty is inseparable from the fight for peace and disarmament, for the billions now squandered on arms are obtained at the expense of the public welfare and social needs of the people. The war chest for the war on poverty must be swelled by sharply reducing that of the cold war. What

is called for is a cut of no less than \$20 billion in military spending within the next two years, and the allocation of that \$20 billion to combat poverty."

In dealing with the concept of the "Great Society," the American Communists do not confine themselves to criticism but advance alternative proposals as to the specific ways and means of ending poverty and achieving social justice. What does it take to wipe out poverty? They answered this question in a ten-point program: 1. Provide jobs for all able and willing to work. 2. End segregation and discrimination. Wipe out the ghetto. 3. Provide adequate relief to the country's poor and jobless. 4. Increase the purchasing power and living standards of the working people. 5. Secure the future of America's youth. 6. Aid the small farmers and farm workers. 7. Rehabilitate the depressed areas. 8. Establish public control over the use of automation. 9. Protect the rights of organized labor. 10. Curb the power of big business.

"The war against poverty will be long and far-reaching, the needs of the American people go far beyond the measures proposed by the Johnson administration . . . What is required first of all is an immediate program involving large-scale federal economic action, with government spending on a level sufficient to raise substantially the purchasing power of all low-income groups.

"But the war does not end there. A long-range fight must be waged for changes of a more basic character, changes which will invade the sacred territory of big business, curb its power and subject its operation to a growing measure of democratic control for the benefit of the people.

"Final victory requires even more. The abolition of poverty can be achieved only by abolishing capitalism itself — by putting an end to an economic system of exploitation and oppression which generates fantastic wealth at one end and poverty at the other."

The key to victory, states the economic program, is united action. "The fight against poverty and unemployment is a fight against the giant monopolies. It is a fight of all sections of the American people ground down by these monopolies — the working class, the Negro people, the small farmers, small business. All have a common stake in the war."

Herein are the clear answers—an all-embracing program required to put into life the idea of a truly great society, to transform the dream into reality.

FROM THE "NEW DEAL" TO THE "GREAT SOCIETY"

U.S. Presidents in the last thirty years have advanced many different concepts and goals, including the concepts of "massive retaliation," "roll back," "containment" and "brinkmanship." These empty formulas have been firmly repudiated by the overwhelming major-

ity of American voters. On the other hand, such concepts as Roosevelt's New Deal, Kennedy's New Frontiers and Johnson's Great Society have invariably met with support from the American people. But even in the case of such concepts the abyss between the lofty projects of those who advanced them and the practical achievements remained, and every real gain was a result of mass struggles for social justice and progress. It is not excluded that in this stage of the struggle the people's united efforts, as manifested in the crushing defeat of Goldwater in the last presidential election, will narrow the gap between words and deeds and substantial gains will be recorded.

The sharply negative attitude of the "madmen" towards Johnson's program is also symptomatic.

When Roosevelt proclaimed the New Deal the United States was passing through one of the worst economic crises, a period known as the "hungry thirties." The New Deal was designed to cope with the crisis. The situation today is different. The social purpose of the "Great Society," taking popular sentiment into account, is to prevent the crystallization of a new alignment of the political forces which are now discarding capitalist ideology and rejecting capitalist leadership. Furthermore, its purpose is to unite the American bourgeoisie by overcoming the conflicts within the monopoly camp which were reflected in the election campaign.

While President Johnson is by nature a conservative, he has been cast by history and present circumstances for the role of a liberal. He and his administration are subjected to mass pressure. He has received the greatest popular support of any president to pursue a policy of peace, economic advance and democratic progress. To the extent that the democratic forces in America find a basis for united efforts and bring pressure to bear on the government, counteracting the strong pressures from big business and the ultra-Right, to that extent progress can be made in the interest of the people.

For a society to be really great it must first of all put an end to militarism, for people can build great societies only in conditions of a lasting peace. For a society to be great it has to abolish poverty and unemployment, exploitation and social injustice, and provide opportunities for each individual to make his or her contribution unhampered and unrestricted. For a society to be great each citizen, irrespective of the color of his skin or his national origin, should have the right to enjoy equal opportunities. For a society to be great the youth should be cherished like the apple of the eye and provided with all possibilities and opportunities to give of their talents. Finally, for a society to be great it must abolish exploitation of man by man.

The American people possess inexhaustible

resources of historical optimism, good will and enthusiasm. But this, of course, does not mean that they can be indefinitely speculated upon. The American people have always been ready to advance from the New Deal across New Frontiers to a Great Society. But if the leaders who appeal to the people to follow

them will time and again try to draw them into another historical impasse the moment will come when their roads will finally part and the American people will advance along their own path to new frontiers and build their own truly great society in America.

Norman FREED

Communists and the 'Great Society'

From a recent radio network interview with Gus Hall

"The Communist attitude towards the Great Society can be summarized in an old saying that two men sleeping in the same bed can have different dreams.

"What motivates President Johnson in presenting his idea of the Great Society — as was the case with President Roosevelt and the New Deal — is the preservation of capitalism. These concepts entail concessions to the needs of the people who otherwise might begin to look for basic solutions to their problems by the way of socialism. . .

"We do not believe the measures in the Great Society concept are realistic in an economy based on war production. Without world peace, all concepts of the Great Society will be so much talk and go up in smoke. A Great Society and a War Society are two opposites.

"In proposing these measures, President Johnson dreams of extending the life span of capitalism through concessions.

"We support these measures because we dream of socialism. A new society is always a natural and logical continuation of the struggle for reforms and concessions in the old society.

"The Great Society concepts are not steps towards socialism.

"But the problems that give rise to these ideas we believe would be better resolved through socialism. The greatest of ALL societies will be socialism."

Thailand: a SEATO bailiwick

THE CAPITALIST PRESS is lavish in its praise of Thailand as a country flowing with milk and honey. Apologists for imperialism call Thailand a "model" of political and economic stability. Thanat Khoman, the Thai Foreign Minister, claims that his country "remains an island of peace and tranquillity in the stormy sea" of Southeast Asia. Facts, however, dispel this myth. They show that the "stability" of the "island of peace and tranquillity" rests on a precarious foundation which, moreover, is being steadily sapped by corruption and by economic difficulties due to participation in the SEATO aggressive bloc.

Thai opinion has long since shed the illusion that adherence to SEATO would guarantee the country lavish U.S. economic aid. Thailand spends for military purposes several times more than it gets from its senior bloc partner. U.S. economic aid for the 1964/65 fiscal year will be worth a mere \$12 million. On the other hand, Thailand has appropriated \$96 million for defense and another \$46 million for so-called internal security.

The Thai rulers like to talk about the dams, hydro-electric stations and irrigation facilities that are being built. But they say nothing about the nine airfields built in recent years in the north alone. Another airfield is under construction 19 miles from the Laotian frontier. A strategic highway is also being built in the area, along the Mekong River. It will cost \$20 million. Besides, Thailand, whose population is 28 million, maintains an army of 135,000 men and a 40,000-strong militarized police force.

The standard of living is declining. At the same time Western businessmen make huge profits here under the law protecting foreign investment, a law they themselves forced through. Furthermore, the United States has placed restrictions on Thai foreign trade, with the result that of late in selling the traditional export commodities—rubber, tin and rice—she has incurred losses far exceeding the entire American "aid." In mid-1964 Finance Minister Sunthorn Hongladarom acknowledged that the economic situation was so grave that rigid economy would have to be exercised to attain genuine stability.

Corruption among the ruling circles causes enormous harm to the economy. Government

posts are regarded as a means of personal enrichment. The secret of ex-Prime Minister Sarit Thanarat's millions has been disclosed to the whole world. Sarit took bribes and engaged in swindles, in selling contraband narcotics and in ordinary theft. On his death in December 1963 it transpired that he had embezzled over \$29 million and had in six years of despotic rule made a fortune of almost \$140 million. Corruption has become a tradition with officials. Until recently provincial governors had no budgets of their own. They ruled with the money they extorted from the population, pocketing a sizable proportion of it in the process.

Enormous military expenditure, the tyranny of foreign monopolies, and a corrupt officialdom add up to a heavy burden for the people. The authors of the myth of a "stable" Thailand, including statesmen, are constrained to speak of the "suffering," "poverty," "unemployment" and "ignorance" of the people. Admissions to this effect were made, specifically, by Prime Minister Thanom Kittikachorn in his radio and TV address on December 11, 1964, as well as by other officials and by Western journalists. A correspondent of the *Christian Science Monitor* summed up his impressions of a tour of northwestern Thailand by saying that everything was stamped with poverty. Other Western correspondents testify to the plight of the millions of peasants in the northeast, where annual per capita income is a mere \$30. It is officially admitted that unemployment remains a painful problem.

Nor is the political "stability" any better. The Prime Minister persists in refusing to abolish martial law, which was introduced as early as 1958. The reason is that the situation in the country is still too unstable.

Democratic rights and liberties are non-existent. There is virtually no Constitution. Work on a draft Constitution has been going on for five years now. The members of the drafting commission cannot agree as to who shall be entitled to vote. Not for them to think in terms of universal suffrage. And the ruling clique, fearing that a Constitution and a general election might be used to criticize their reactionary policy seize on every pretext to put off the adoption of the Constitution.

Anti-communism is the keynote of official Thai policy. The notorious anti-communism law is the device for stifling all discontent. The regime strikes at Communists and all who urge the abolition of martial law, who call for an independent foreign policy and deliverance from bondage to foreign monopolies.

Special attention is paid to the northeastern provinces which border on the liberated areas of Laos. The government is playing up the danger allegedly coming from Pathet Lao. The *New York Times* reported in 1963 that the U.S. aid mission had set up four new training centers (including two in the northeast) to train provincial police in the technique of combating rebellion in jungle conditions.

Thai foreign policy, like any other government activity, is determined by membership in SEATO and is subservient to Washington.

This is evident from cynical statements by the Thai Foreign Minister who, in an address to the New York Press Club last December, exhorted the USA to stop talking about withdrawal from South Vietnam. He assured his audience that Thailand, which had taken part in the U.N. expeditionary force sent to Korea in 1950, was ready to assume its share of the burden. He deplored U.S. reluctance to "pick up the axe to kill the mosquito," that is, to use nuclear weapons.

Other top-ranking officials are no less outspoken. Punakan, head of the Press and Information Department, spoke approvingly of the U.S. bombing raids on North Vietnam. Bombing, he said, would improve the unfavorable situation in South Vietnam.

In recent years Thai territory has been used

by the Pentagon more than once for subversive operations against neighboring countries. At the end of 1964 U.S. aircraft stationed in Thailand repeatedly bombed the positions of Lao-tian patriotic forces in the Valley of Jars, and raided North Vietnam territory. These operations involved Thai pilots.

The reactionary policy of the Thai rulers is resented more and more by the people. Despite the martial law and the brutal persecution, the patriotic movement is making headway, aimed at ending U.S. imperialist domination and making Thailand a genuinely independent, neutral and democratic country.

The Communist Party of Thailand is exposing the reactionary nature of the regime, calling on all democrats to unite in the fight against U.S. imperialist domination and to defeat the Kittikachorn clique of traitors.

This program has won much support among the people. A united patriotic front—the Thailand Independence Movement (TIM)—has been formed. At the end of last year it published a manifesto setting forth the aims of the Movement which it described as a political organization uniting all patriots and democrats irrespective of class, sex, age and occupation, for joint struggle against a common enemy. The political aim of the Movement is to expel the U.S. imperialist aggressor from Thailand, overthrow the despotic government of traitors, form a government representing the democratic parties and patriots, a government that will strive for genuine democracy, for a policy of neutrality, peace and economic well-being.

I. SUMAR

The German people say NO to the death belt

Letter from the FRG

THE WORD GOT AROUND last December that Bundeswehr generals led by Defense Minister von Hassel had been discussing with U.S. generals a plan for a nuclear mine belt along the border with the German Democratic Republic and Czechoslovakia. Inspector General Trettner of the Bundeswehr, the man responsible for the destruction of Rotterdam and Florence during the Hitler war, submitted the mine-field plan to the NATO Council, which met in Paris last December.

The news about the atomic mine-field engendered an outbreak of indignation such as the

Federal Republic had not witnessed for a long time. First to move into action were the inhabitants of the areas adjoining the border with the GDR and Czechoslovakia. In those areas, in Luebeck, Hamburg, Brunswick, Helmstedt, Offenbach and Frankfurt, and even in Duesseldorf and Bonn, people poured into the streets. A steady stream of cars crossed the border region in the Brunswick area, carrying banners which read: "Atomic mines on the frontier mean suicide," "Atomic mines perpetuate the division of Germany," "Atomic mines: Trettner's Christmas present." In Ham-

burg people decorated the Christmas tree in the city center with mock atomic mines. People in Offenbach did the same thing.

In Kassel the district committee of the trade unions denounced the Trettner Plan and called for resistance to it. The committee resolved to print and distribute 60,000 leaflets. Besides, it called on all trade union committees in the border districts to join in the movement against the nuclear mine belt.

The Bamberg district committee responded at once. In Duesseldorf the Federal Board of the unions formally protested against the Trettner Plan. True, it did so without referring to the decision of the Kassel organization. *Die Welt der Arbeit*, the newspaper published by the Board, stated that the Trettner Plan had nothing in common with defense and was more like a plan for suicide.

"One might just as well prescribe cyanide pills for the citizens of the Federal Republic," the paper commented. "They would cost less."

Meetings under the auspices of the local authorities in the border areas of Wolfenbuettel (Lower Saxony), Rothenburg (Nordhessen), and Staffelstein (Bavaria) instructed the Landraete to protest in Bonn against the Trettner Plan. In the frontier town of Eschwege, Nordhessen, in Mellrichstadt and in the Bavarian frontier town of Hof, municipal councillors adopted protest resolutions. Young Socialists in Kassel, SDP delegates in Offenbach district, and numerous organizations did likewise.

The result of the protests was that an atmosphere of uncertainty set in even in Bonn, where until then the Bundestag parties had fully supported the policy of the ex-Hitler generals. Some deputies dissociated themselves from the Trettner Plan. The Social Democratic deputies Stammberger, Boerner and Seither, and Christian Democrats Dr. Goetz, deputy for the frontier town of Fulda, joined in the pro-

tests. So did Kaeber, Chairman of the Social Democratic group in the Schleswig-Holstein Landtag, and Eisenmann, Chairman of the Free Democrats' Land organization in Schleswig-Holstein.

In an open letter to Minister von Hassel, Konrad Jacob, President of the Hessen branch of the Peasant Union, wrote: "The peasants are resolved to prevent the realization of the plan in order to avert the danger threatening the lives and health of the population." Peasants in the border area made the following statement to the press: "Should Bonn impose mortal danger upon us, we will defend ourselves from the atomic mines with flail and scythe, and by building barricades along the frontier with the GDR—whether against Americans or Germans."

The atomic-mine belt was publicly opposed by the Evangelical Bishop of Kurhessen and by 38 clergymen in Goettingen.

The Government of the German Democratic Republic in the person of Willi Stoph, Chairman of the Council of Ministers, wired Federal Chancellor Erhard, insisting that he call off the inhuman plan and refuse, in common with the GDR, to acquire nuclear weapons or to station them on their soil. Bonn made no reply.

The Communist Party of Germany, through its Central Committee, called on the West German population to press for a treaty with the GDR renouncing nuclear arms, and for a German peace treaty. It also appealed to all citizens of the Federal Republic to take joint steps in all parties, trade unions and other organizations to prevent the establishment of an atomic death belt, stressing that "should this insane plan be put into effect we citizens of the Federal Republic would be living on a volcano. It is impossible to build the future on atomic mines."

E.C.

The power of solidarity

THE INDIGNATION that reverberated round the world when the Franco government killed Julian Grimau is still fresh in the mind. Now Franco's fascists have brought before a military tribunal another patriot, Justo Lopez de la Fuente, and are intent on destroying him in the same infamous fashion.

As in the Grimau case and in hundreds more, the fascist sleuths are searching for and putting together every bit of evidence which, in their opinion, could justify court-martialing Justo Lopez. They are anxious to justify the charge of "unending military rebellion" — the pretext used for the murder of Julian Grimau.

The Prosecutor wants the death sentence for Lopez, a patriot already condemned to 23 years' imprisonment. Counsel for the defense is the well-known liberal opposition lawyer Mariano Robles Romero Robledo.

What is Justo Lopez de la Fuente and why is he so hateful to Franco's fascists?

Lopez, 55 years old, is a stone-mason by trade. His membership of the Communist Party dates from 1932. During the war against Franco he commanded the 36th Combined Brigade of the Republican Army. When the republic was defeated, he emigrated to France whence he went to the Soviet Union and took part in the war against Hitler Germany.

The fascist authorities denied him the right legally to return to Spain and so Lopez returned illegally and immediately joined in the struggle against the dictator. In 1964 he was arrested together with Jose Sandoval and other anti-fascists. At the trial which took place last December Lopez was sentenced to 23 years' imprisonment. But the fascists are out for his blood, and so another brutal murder is being prepared. This must be prevented.

The people of Spain, and international solidarity have forced Franco to repeal some of the repressive laws and to abolish the extraordinary tribunals. The lives of a number of patriots have been saved.

The blood-thirsty dictatorship is striking out like a wounded beast.

Democrats all over the world are raising their voices against the crime now in the making.

Telegrams and letters of protest should be showered on the captain-general of the first military district in Madrid. Meetings, and demonstrations, resolutions and individual messages should become the expression of universal protest. The hand of the butcher must be stayed.

Luiz SAPIRAIN

Stop red-baiting in the United States!

THE TRIAL OF THE Communist Party USA fixed for March 15 is another link in the endless chain of attempts made by the U.S. authorities to strangle the Communist movement in the country.

The prosecution of the Communist Party was started in 1962 under the "Internal Security" (McCarran) Act, when it was indicted for

refusing to register with the Department of Justice.

Democrats in the United States and elsewhere justly qualified the trial as a drive against the basic liberties proclaimed in the Constitution and in the Bill of Rights.

The fight put up by the Communist Party and supported by all forward-looking people

in the country and the worldwide solidarity campaign have yielded fruit. The Court of Appeals had to repeal the decision of the lower court which brought in a verdict of guilty against the Party. Last summer the Supreme Court confirmed the decision of the Court of Appeals.

Now, however, the Department of Justice has re-opened the case against the Communist Party, the idea being to deny any legal basis to the U.S. Communists, to discredit communism and to make inroads on the democratic rights of all citizens.

Gus Hall, leading spokesman for the Party, and another 44 Party members have been arraigned. Last December Hyman Lumer, editor of the journal *Political Affairs*, was summoned before the House Un-American Activities Committee, where attempts were made to indict him on the basis of false evidence supplied by paid informers. Henry Winston was prevented from delivering a lecture on the Negro civil rights movement.

The concomitant of anti-communism is intensified persecution of all progressives. Hoover, the Chief of the FBI, has boasted that the number of civil cases examined by his agency has sharply increased.

Leading members of the movement known as Women Strike for Peace were summoned before the "Un-American Committee" for organizing a lecture on the subject of peace. In New York the authorities imprisoned leaders of the strike of welfare workers. In Alabama racists manhandled Dr. Martin Luther King,

recognized leader of the Negro movement and Nobel Peace Prize winner; King was arrested, along with the 3,000 others who had demonstrated for implementation of the Civil Rights Act.

The U.S. rulers laud democracy and freedom, indulge in talk about building the "Great Society," and claim, as President Johnson did recently, that harmony has been established between man and society. But how strange it is to read this in a country where men are persecuted for their ideas, where violence and lawlessness against citizens are daily occurrences, where elementary democratic rights are violated, and where pro-fascist organizations flourish and act with impunity!

The latest anti-communist drive in the USA shows that despite the heavy electoral defeat suffered by Goldwater, Goldwaterism as such is still about. Moreover, it continues to affect both the home and the foreign policy of the Administration. The attack launched by the authorities against the Communist and progressive movement at home, the colonial war in Vietnam and the bombing raid on North Vietnam are concessions to the ultra-Right.

Protesting against the persecution, the Communist Party of the U.S. justly emphasizes that these actions of the government signify a retreat from the election promises to build a society founded on democratic freedoms.

Abroad, too, as at home, forward looking people, dismayed by this retreat, are urging an end to the baiting of U.S. Communists.

L. WRIGHT

Reactionary intrigues in India

THE FOOD CRISIS with which India is bedevilled is sending food prices and the prices of other prime necessities soaring. Hunger is a universal phenomenon.

In these circumstances the authorities have directed their energies, not so much to overcoming the difficulties as on trying to justify, through repressions, their own position which is now pretty shaky. They have carried out mass arrests of "Left" Communists, throwing some 1,000 persons behind bars.

But arrests will hardly deflect the attention of the hungry from their plight. Early in January the *Times of India* commented editorially that the ruling party cannot hope to retain the confidence of the people unless it finds the means of combating the crisis owing to which even bread is a luxury for most people.

An editorial in *New Age*, organ of the Communist Party of India, pointed out that despite the ideological differences between the

CPI and the "Left," Indian Communists denounce the repressions precipitated by the authorities. The arrests, the CPI maintains, can only play into the hands of the enemies of democracy and progress and facilitate the consolidation of the reactionary forces.

At its recent Seventh Congress the Communist Party outlined a comprehensive program of action to cope with the economic situation.

The ruling group of the Congress Party have miscalculated if they believed that the intra-Party differences would prevent the Communists from opposing the undemocratic measures and arbitrary actions.

In a special statement the Secretariat of the Party stressed that the CPI strongly protested against the unfounded repressions violating democratic norms and freedoms and called upon democratic organizations to protest against the arrests.

In a number of states protest meetings were

held jointly by the CPI and the "Left," which denounced the arbitrary action of the authorities.

S. A. Dange, Chairman of the Communist Party, publicly condemned the undemocratic action of the government. Speaking on behalf of the Communist MPs, Bhupesh Gupta, leader of the Communist Group in Parliament, called for the immediate release of the prisoners. Resolutions of protest were adopted by the All-India Trade Union Congress, the Revolutionary Socialist Party and the United Socialist Party. The leader of the Socialists, Lohiya, qualified the arrests as an act of tyranny and evidence of the government's desire to destroy the opposition parties one by one.

"The essential point before the people, irrespective of their differences with the policy of the arrested leaders," *New Age* stressed, "is this: if the Congress government is allowed to get away with this indiscriminate assault on the fundamentals of democracy by the de-

tention without trial of its political opponents, the future of democracy in India is dark.

"The demand for release or an open trial in a court of law is a demand which should be raised by all who treasure democracy and stand for civil liberties."

Communist parties in many countries have protested against the arrests. In its statement the British Communist Party stressed, for example, that the mass arrests cannot but seriously alarm all democrats and friends of India. The Party urged the immediate release of all political prisoners and declared that it would do everything possible in the framework of the British labor and progressive movement to organize protests.

Public opinion everywhere wants an end to the arbitrary action, repeal of the anti-democratic measures and the immediate release of those unlawfully arrested.

W. RAMEN

Freedom to patriots in Iraq!

THE NOTORIOUS Nugret el Salman Prison, situated in the desert in the south of Iraq, was designed to house not more than 500 persons. Today 1,500 political prisoners are crowded there in abominable conditions. Of this number 129 have been sentenced to penal servitude for life. Among the prisoners are workers, peasants, students, government employees, lawyers, doctors and men well known in public life. Many of them are detained because they have refused to renounce their political beliefs, or to denounce communism. The sentences were passed by military tribunals, and the accused were maltreated and manhandled even in the court-room.

There is no medical care of any kind, despite the fact that some of the prisoners suffer from TB and other communicable diseases. Visits by relatives are not allowed, and parcels are confiscated on the pretext of control.

Some months ago, as a result of the mass campaign, the government was compelled to set up investigation committees to visit the prisons and concentration camps and enquire into the legality of arresting and sentencing thousands of people.

These committees did little more than establish the identity of the prisoners, since most of them are held without any official papers and in not a few cases even their names are not known to the authorities. With these formalities out of the way, it was suggested to the prisoner that he should renounce his poli-

tical beliefs. Those who refused were sent to Nugret el Salman. Although the committees visited many places of detention not more than 20 persons, according to reports, were released.

Two months ago the prisoners, having lost all confidence in these committees, addressed an appeal to world opinion and international organizations, including the U.N. Human Rights Commission.

Lord Bertrand Russell, a British philosopher and champion of human rights, took the initiative in calling an international conference to secure an amnesty for the victims of lawlessness in Iraq. The conference, held in London in February, was attended by prominent personalities and representatives of international organizations.

At the very moment people of good will came to the defense of the Iraqi political prisoners, the government in Baghdad ordered the execution of 11 of them, sentenced by the previous regime. The sole "crime" of these men was that they had resisted the fascist coup of February 8, 1963 that brought the Baath party to power. The campaign to save the lives of the 11 anti-fascists has flared up with renewed force.

In December 1964 the Iraqi Communist Party warned the people about the threat to the lives of the eleven. In another appeal the Party drew the attention of the public to the danger threatening the lives of the well known Salem

Al Fakhri and his colleagues, and called for an all-out effort to save them.

It was against this background that President Aref announced the release of political prisoners and issued corresponding orders to the Governor-General.

Outside the country the impression could be created that at last the hour of freedom had come for all prisoners. But in Iraq itself the President's announcement met with little credence, and for very good reasons.

More than a year has passed since Aref, after the coup d'état of November 18, 1963, promised to restore law and order, and to end the barbarous crimes of the Baathist regime. This pledge was honored only in part: the National Guard of the Baath party — a fascist-type organization — was dissolved, but many of its members responsible for countless killings, unlawful arrests, and death sentences on innocent people have not been punished. They are still at liberty or even hold important posts in the government.

A close scrutiny of the text of the Presidential orders to the Governor-General published in the Iraqi press confirms the doubts as to the sincerity of the authorities. The orders speak of the release only of those political prisoners whose sentences have already ex-

pired. All that the government has done is to correct *its own* injustice, while doing nothing at all to abolish the acts of lawlessness committed by the previous Baath regime.

Commenting on these developments, the Beirut newspaper *El Nahar* stated that the total number of those to be released was not known. There is reason to believe that about 1,000 prisoners have been released. But even if this figure is correct, it means that only a tenth of those arrested at the time of the Baathist coup of February 1963 will be set free.

While hopeful that Aref's orders will be carried out, the Iraqi Communists cannot but express their anxiety for the fate of thousands of their countrymen. Only by granting the people democratic rights, by solving the Kurd problem and by taking the way of independence and social progress will it be possible to successfully tackle the big tasks confronting the regime, including the release of political prisoners.

Meanwhile, still bigger protest campaigns and still greater pressure by public opinion throughout the world can do much to improve the conditions of the Iraqi political prisoners and wrest them from the dungeons.

Lamis HUSSEIN

History of the Communist Party of Norway

"TRACING THE WORK of the Communist Party of Norway from year to year and from one battle to another, one sees that ever since its inception it has been in the forefront of the struggles of the working class, helping it win important gains," write the authors of the first volume of *History of the Communist Party of Norway*.^{*} The book is at once a stirring narrative of lives devoted to the struggle on behalf of the people, for socialism, and a scientific work abounding in facts and documents, the first systematic research into the history of the CPN from its first days up to the outbreak of World War II.

The year 1917 marked a turning point in the history of the Norwegian working-class movement. The socialist revolution in Russia was acclaimed by the Norwegian proletariat. "Enthusiasm and the spirit of solidarity with the Russian revolution" we read, spread in the Social Democratic Party and in the trade unions; and this had a powerful impact on the ideological content of the entire movement."

The working people won big successes during the revolutionary upsurge that followed the October Revolution. In 1918 the Left gained the upper hand in the Social Democratic Workers' Party, and in 1919 it affiliated with the Communist International.

The imperialist armed intervention against the young Soviet Russia evoked a powerful movement of protest in Norway, and the Workers' Party did much to help break the blockade. Kyrre Grepp, the Party chairman, a dedicated revolutionary, directed the transportation of literature from Soviet Russia. In 1921 the police raided the party office and seized the publications they found there, invoking a law which barred the importation of "horses and other articles and commodities." The Conservative government instituted proceedings against Grepp and Rudolf Nilsen, his associate, who later became famous as a proletarian poet.

In 1921 the working class rendered aid to the famine-stricken regions of Russia, sending hundreds of tons of food collected throughout the country. In November 1921 workers' organizations arranged a very successful Russian Week. Among those who joined in the campaign of solidarity with the Russian people was the famous explorer Fritjof Nansen, who headed an international relief organization for the victims of famine.

The book describes how at the Party Congress in 1923, after a lively debate on the "21 conditions" for joining the Communist International, the Right-wing put through a resolution on withdrawal from the Comintern. After this, the minority broke with the Rights and decided to set up the Communist Party.

The Norwegian Communists fought for the workers' rights, against unemployment, in defense of the working farmers and fishermen, for control over the banks, a progressive tax on the capitalist incomes and fortunes, and the abolition of the taxes on consumer goods. They called for recognition of Soviet Russia and for trade relations with it.

In 1923-24 the Party supported the seven-months' strike of the metalworkers against a reduction in wages. It initiated the 1927 protest campaign against the "prison laws." Communists were to the fore in the building workers' fight against compulsory arbitration in 1928. Their selfless efforts contributed to the victory of the lumber workers, who after a hard-fought struggle forced the employers to recognize their rights.

In the early thirties Norway was hit by the economic crisis. Conditions worsened, unemployment rose to 40 per cent of the total number of organized workers. It was during those troubled times that the so-called Menstad battle, one of the most memorable episodes in the history of the Party, took place. In 1931, during the general lockout at the Norsk hydro-electric plant in Menstad, the workers ejected the strikebreakers from the plant. For this the police arrested the chairman of the local trade union council. When the workers responded with a powerful pro-

^{*}Norges Kommunistiske Partis Historie. Bind I. Oslo, 1963, 338 pp.

test demonstration, gendarmes were rushed to the town. The Communists organized another demonstration, in the course of which the police were chased out. The government of the day, in which the now notorious Quisling was War Minister, sent reinforcements of troops.

The Menstad events stirred the whole country, with the Communist Party urging resolute action. Eventually, the authorities were compelled to retreat. The strikebreakers went on "holiday" and the military returned to the barracks. Menstad was a big victory for the Norwegian working class.

The Communists foresaw the rise of fascism, which became active during the economic crisis. The Fourth Congress of the Party, held in March 1932, called for a powerful popular movement against the twin dangers of fascism and war.

The call for unity helped in rallying the working class. When Quisling's party appeared and began to form fascist squads, the Communist Party was with the people in driving the fascist thugs out of the towns. A valuable contribution to this campaign was made by the Communist youth organization, acting jointly with young Social Democrats and non-party young people. Anti-fascist combat groups were formed in the factories and in working-class districts.

Another chapter in the history of the Norwegian Communists is associated with the aid to Republican Spain. Many Communists and other anti-fascists joined the International Brigade. The book notes that "thanks to the voluntary contribution of the Norwegian young people the basis was laid for several underground combat groups which later, during the Hitler occupation, fought under Party leadership against German fascism."

Outstanding in the solidarity campaign with Spain and in the fight against fascism was the

writer Nordahl Grieg. Grieg's articles and poems sounded as a tocsin, rousing the people to repel fascism. Together with the Danish writer Martin Anderson-Nexo, Nordahl Grieg sponsored anti-fascist youth rallies in Scandinavia.

The book details the efforts of the Norwegian Communists to establish working-class unity.

The question of unity was the theme of the Fifth Congress held in 1936. This was in line with the united front policy proclaimed by the Seventh Congress of the Comintern. The Norwegian Communists decided on an approach to the Social Democrats with a view to uniting the Communists and Social Democrats in a single party.

The Communists prepared a draft platform for the united party, which they saw as a Marxist party independent of the bourgeoisie and pursuing a consistent working-class policy. But in January 1938, yielding to pressure from the Rights, the Social Democrats broke off the talks. The book ascribes this action to the frantic anti-Communist campaign launched in Norway.

It describes the difficult conditions in which the Communists worked on the eve of World War II. During the occupation they were in the van of the resistance fighters, winning the profound respect of the people.

Summing up the history of the Norwegian that "the Party has played an important, in Communists, the authors draw the conclusion most cases the decisive role" in the main battles fought by the working class. "This involved much effort and sacrifice, but they were not in vain."

The book is a chronicle of the struggle of the Communist Party of Norway, which is coming to its Eleventh Congress rallied around the lofty ideals of Marxism-Leninism.

G. Pirogov

The world today

Complying with readers' requests for supplements on current events — problems of the struggle for peace and of economic development, and other issues of the day — WMR prints in this issue commentaries on recent events in Europe and Southeast Asia which have attracted worldwide attention.

The first commentary was contributed by **Rudé Právo**, newspaper of the Communist Party of Czechoslovakia, the second by Mikhail Kremnyov, WMR commentator.

SUPPLEMENT TO No. 3, 1965

The will of the peace-loving forces

The attention with which people in Europe—and not only in Europe—followed the recent session of the Political Consultative Committee of the Warsaw Treaty countries highlighted the significance of the conference; at this gathering leaders of the European socialist countries discussed the situation in the light of the “multilateral nuclear force” design advanced by some NATO states, the likely implications for peace in Europe of this and similar designs, and measures the Warsaw Treaty states would have to take to counter them.

The socialist countries’ response to these dangerous designs was at once resolute and realistic. None can deny that the response demonstrated their sense of responsibility for peace in Europe. They all agreed that the MLF plan would in one way or another give West Germany access to nuclear weapons. However, they not only warned against the grave menace to peace if nuclear weapons were placed in the hands of the West German militarists, they also reaffirmed the proposals made earlier by the Soviet Union and the other socialist countries for improving the international climate and strengthening European security, such as a freeze on nuclear armaments, an atom-free zone in Central Europe, and a non-aggression pact between the Warsaw Treaty and NATO countries.

Thus the conference held that it was both necessary and possible to avert the danger that would arise from the realization of the MLF or similar plans. It called for international talks to discuss ways and means of easing the tension in Europe and promoting world peace. Hence the positive response to the Warsaw conference not only in the socialist countries, but also among broad sections of the public in Western Europe and elsewhere in the world.

Although the conference was primarily devoted to the situation resulting from the latest MLF plan, its proposals are clearly of a broader nature. Recent changes have again demonstrated the pressing need for steps towards a detente. The dangerous actions of the U.S. imperialists, who are taking revenge for their setbacks in their war against the people of South Vietnam by bombing raids on North

Vietnam, show how easily a “local” conflict could escalate into a war between the Big Powers if common sense is not displayed and in the event of the policy of some Pentagon and U.S. Congress quarters becoming more reckless still. If the adventurist Bundeswehr generals and the Bonn revenge-seeking politicians are allowed to have a say in the use of nuclear weapons things will become even more dangerous.

There are a number of reasons why the communique of the Warsaw conference was received so favorably by the people of Czechoslovakia. In the first place, there is their direct interest in checking the dangerous militarist development in West Germany. Czechoslovakia has not only suffered from German militarism in the past, it is the only country that has common borders with the two German states. Together with the German Democratic Republic it is a member of the defensive alliance of the socialist states bordering on West Germany. Hence the direct interest of the Czechoslovak people in a peaceful development of all Germany, in everything likely to lessen tension between the two Germanys and contribute towards their rapprochement and mutual understanding.

That is why Czechoslovakia actively supports all proposals in this direction made by the government of the GDR. It does so not only because the proposals are advanced by a fraternal socialist country, but above all because they fully conform to the interests of Czechoslovak security, to its striving to live in peace and cooperation with all its neighbors, Federal Germany included. For the same reason Czechoslovakia supports the Polish plan for a nuclear freeze and for an atom-free Central Europe and also the Soviet proposal for a Warsaw Treaty-NATO non-aggression pact.

In the light of this, there is no need to explain the angry response of the Czechoslovak people to the news about the plan for an atomic-mine belt along the West German border with the GDR and Czechoslovakia. This plan throws light on the recklessness and perfidy of the West German militarists who want nuclear weapons for their “forward” or

"offensive defense" strategy. This strategy presupposes not only the transfer of hostilities to enemy territory the moment a military conflict breaks out, but also the deployment of nuclear weapons along the "forward line," to be used in the very first minutes of the conflict. This is confirmed by a report of the West German news agency (October 2, 1964), to the effect that "the Federal Government will categorically oppose any solution ruling out the use of tactical atomic weapons on the zonal borders."

Bonn, according to the agency, wants the fullest possible integration of the defenses of all the NATO bloc countries so that their entire defensive system could be effectively used in the first minutes of an attack across the zone border. Is it any wonder that the people of Czechoslovakia are alarmed when they read about these designs. Such designs do nothing to further the mutual confidence and good-neighborly relations which some West German leaders profess for Czechoslovakia.

We know from history that German militarism has never shunned any means to engineer a military conflict. Such has always been the case, from the notorious "Ems telegram" which triggered off the Franco-Prussian war of 1870 to the sham attack on the Gliwice radio station, deliberately organized by Hitler and used by him as the pretext for invading Poland and launching World War II. Clearly, an atomic-mine belt along the border with Czechoslovakia and the GDR, like any other "use of nuclear weapons on the zonal borders" contemplated by the West German militarists, and in particular West Germany's participation in the MLF in any shape or form, would make it easier for them to provoke a global conflict.

These apprehensions are shared not only by the Warsaw Treaty countries, but also by the public and even by government circles in some NATO states. It is a matter of record that in order to mitigate the public protests in most West European countries against FRG participation in the North Atlantic pact West Germany had to accept, along with the Paris agreements giving it access to NATO, "guarantees" forbidding it to manufacture on its territory weapons of the ABC (atomic, bacteriological and chemical) group. These guarantees also included certain restrictions on Bundeswehr armament, applying to long-range rockets, guided missiles, automatic mines, warships (with the exception of small defensive craft), and strategic bombers. These guarantees, it was claimed, would restrain German militarism, lessen its danger and even impart a defensive nature to it. The socialist countries called attention to the illusory nature of the "guarantees" and predicted that the influence of the German militarists in NATO would grow in proportion to the number of the West German divisions and that the restrictions would be waived one by one. The prediction, as we see now, has been fulfilled.

Now that West Germany is militarily stronger than any other NATO state with the exception of the U.S., now that NATO strategic planning is largely determined by Bonn generals (as exemplified by NATO's adoption of the "forward strategy"), some of the restrictions supplementary to the Paris agreements have become a "past stage." The restriction concerning warships, submarines, jet bombers, automatic mines and guided missiles have been removed. According to the nuclear physicist Professor Fuchs, the West German nuclear research center in Karlsruhe has plutonium-producing installations which within three years will be able to turn out enough material for six bombs of the Nagasaki type. This means, in effect, abolition of the most important restriction imposed on the FRG at the time of its admission into NATO — the prohibition forbidding it to have nuclear weapons.

These facts refute the absurd contention that participation in the MLF will make it possible for West Germany to have a nuclear force of its own and for the Bundeswehr generals to have a finger on the nuclear trigger.

Although the reasons for many of the NATO countries refusing to have anything to do with the MLF differ widely, the chief reason advanced by most (Denmark and Norway, for instance) was disagreement over the form of NATO's nuclear armament, a form which would give Bonn a share in the control of nuclear weapons.

The Warsaw Treaty countries stressed the danger of the MLF not because they thought it would change the balance of world forces in any way. The project is of limited military significance, and politically it is important chiefly from the viewpoint of the correlation of forces within the Western alliance. But it is fraught with the danger of West Germany gaining complete control of nuclear weapons, a prospect to which Czechoslovakia, the GDR, Poland and the other socialist countries, the Soviet Union included, cannot be indifferent.

The West sees West Germany's participation in the MLF primarily in the context of the differences in NATO. But what Bonn wants above all is to bring about a situation which would facilitate getting its hands on nuclear weapons.

Bonn's attitude to the possibility of possessing or controlling nuclear weapons is determined not only by military considerations or by the present situation in NATO, but also by their entire political strategy. Proof of this was furnished, for instance, by the secret memorandum presented by the West German generals in September 1961 in which they stressed that "without possession of the atom bomb restoration of Germany within its historical and national borders is unthinkable." Consequently, any kind of West German participation in the nuclear armament of NATO should be viewed from the standpoint of its policy of revenge.

The rulers in Bonn get upset when revanch-

ism is mentioned. They even deny that revanchism exists at all. It is a fact, however, that their craving for nuclear weapons is bound up with their plans for a revision of the outcome of World War II. Revival of the old German imperialism has been accompanied by revival of the basic elements of German imperialist policy — a policy which has always relied on force, pressure, blackmail and direct military actions. Today this "positions-of-strength" policy is strikingly reflected in the Hallstein doctrine, i.e., bullying countries which show a desire to establish diplomatic relations with the GDR, and refusing to recognize this peace-loving state and hence the changes that have taken place in Eastern Europe since the defeat of Hitler.

The economic and military positions of German imperialism have been strengthened solely because of the cold war against the socialist states. This explains Bonn's desire to aggravate international tension. Every step it takes is sharply at variance with the objective trends in the world, with the policy of peaceful coexistence. Although their policy of revenge, of revision of the outcome of the war is countered by the positive trends in international development, the West German rulers are working hard to reverse the march of history.

All this helps us to understand why they so covet nuclear weapons. Some ten years ago when they joined NATO, the West German militarists made it clear that they would not be content with being the "giving party" only, that they anticipated compensation for supplying Bundeswehr divisions. At present West Germany is second only to the United States, as the most powerful member of NATO and greatly influences the strategy of the Western bloc. Without doubt, this influence would become even more decisive in the event of it getting access to nuclear weapons. Thus, it is not a matter of gaining "equality" in NATO as the West German imperialists claim, but of gaining control of nuclear weapons, which they regard as indispensable for a forcible revision of the results of World War II.

In line with this effort, several months ago a campaign was begun in the FRG aimed at rewriting the history of the war in order to absolve German imperialism from the guilt

of having started it, and to put all the blame on the victims of Hitler's aggression. Until recently it appeared to be a campaign of the extreme Right, but now the situation is different: in January the campaign was joined by Strauss, Chairman of the Christian Democratic Union and ex-Minister of Defense, one of the most outspoken advocates of nuclear weapons for the Bundeswehr. The link-up should not be underestimated.

Likewise, the decision of the Bonn Government, taken last November, to apply, as from May this year, the statute of limitations to all war criminals should be seen as an attempt to revise the outcome of the war, for to track down and mete out punishment to all Nazi war criminals was one of the chief aims set by the members of the anti-Hitler coalition at the Yalta and Potsdam conferences. It is not accidental that the West German revanchist organizations, while campaigning for an end to the prosecution of the Nazi criminals, are demanding court actions for alleged crimes against participants in the anti-Hitler coalition.

True, of late sober voices have been heard in West Germany, urging consolidation of the existing borders and opposing any revanchist claims on Czechoslovakia. But it is also true that a violent campaign against these journalists and politicians has been conducted not only by the revanchist organizations but also by leading figures in the ruling parties, accusing them almost of "high treason." Spokesmen of the Bonn government have made it clear that they will not give assent to the borders established after the defeat of Hitler Germany.

The representatives of the socialist states in Warsaw stressed once again that access to nuclear weapons would certainly encourage the revanchist forces in West Germany.

Although currently the most dangerous seedbed of a world conflagration is that in the Far East, created as a result of the United States' participation in the war against the people of South Vietnam and provocations against the DRV, this does not mean that it cannot shift to the European continent. It could happen if the West German revanchists were allowed a finger on the nuclear trigger.

The security of the peoples of Europe and of the world demand that this be prevented.

U.S. provocations in Indochina

The world is witnessing the growing use of armed force by international imperialism, by U.S. imperialism in particular, against the world liberation movement. This is the new tactic of imperialism, the substance of its "local wars" theory. Only a short while ago the Congo was the theatre of military operations. Today it is Southeast Asia. The U.S. imperialists have struck counter-blows at the national-liberation movement on the Latin-American continent. The machinations against Cuba continue.

At the beginning of February the world learned of the latest of these provocations, this time against the Democratic Republic of Vietnam. United States aircraft bombed the territory of the DRV, including the town of Dong Hoi, sowing death and destruction. This unprovoked act of aggression was a violation of the sovereignty of a peace-loving state that has few precedents. Once again the predatory nature of imperialism was revealed. This kind of policy resurrects the times of the late John Foster Dulles and his "massive retaliation" concept which has now been incorporated in the "local wars" theory.

This treacherous attack had been prepared long in advance. According to the *New York Times*, U.S. aircraft carriers took up strategic positions near the Vietnamese coast before the attacks on U.S. military bases by South Vietnamese liberation fighters.

The Pentagon is steadily extending the scale of operations against the South Vietnamese patriots. The number of U.S. servicemen in South Vietnam has been increased nearly 12-fold compared with 1961. American mothers are now mourning sons killed in the jungles of Vietnam fighting against people who are upholding their inalienable right to decide their own destiny. According to the U.S. Ministry of Defense, American casualties in South Vietnam in the last four years were 365 killed, 19 missing and 1,546 wounded. The press notes that the heaviest losses were in armed clashes with Viet Cong guerrillas, although officially U.S. servicemen are classified as "advisers" to the armed forces of the South Vietnamese puppet regime.

The number of these "advisers" has reached a very sizeable figure. According to the Pentagon some 57,000 servicemen have been to

South Vietnam in the last three years. At present 23,000 men are stationed there.

The United States is not only steadily building up its armed strength in South Vietnam, it is also financing the South Vietnamese army which at present numbers more than half a million men.

Senator Church once ironically remarked that such vast quantities of military equipment and supplies and so many military advisers were being sent to Saigon that there was every danger of the entire South Vietnamese Peninsula collapsing under the weight of all this. The Peninsula did not collapse, but it has become a dangerous area of tension in Southeast Asia, a tension which Washington is doing everything to exacerbate. Last January, the U.S. Ambassador, General Maxwell Taylor said that Washington was prepared to provide for the upkeep of another 100,000 South Vietnamese soldiers.

Its "good offices" notwithstanding, Washington has not been able to secure a strong foothold in South Vietnam, even among the ruling clique. Hence the quick succession of puppet Governments in Saigon. But in all cases U.S. policy has remained unchanged, a policy of supporting the most reactionary elements in the country.

Why is Washington bent on escalating the war in South Vietnam? Hardly because of economic interests. The reason is more likely political and strategic. The U.S. strategists regard South Vietnam as a springboard for establishing their domination throughout Southeast Asia. Henry Cabot Lodge, former U.S. Ambassador in Saigon stated as much when he wrote in *Life* magazine (April 1964):

"Geographically, South Vietnam is a key-stone for all of Southeast Asia, the hub of an area which is bounded on the Northeast and East by Formosa and the Philippines, on the South by Indonesia and on the West by Burma . . . The conquest of South Vietnam would immediately disturb Cambodia and Laos, and bring strong repercussions farther West in Thailand and Burma. It would shake Malaysia to the South. . . ."

In a joint statement the delegation of the USSR and the delegation of the Korean People's Democratic Republic denounced the long-range plans of U.S. imperialists to form

an aggressive "military North-East Asian alliance" composed of South Korea, Taiwan, South Vietnam and the Philippines with the Japanese imperialists representing the principal force in the bloc.

As far as the U.S. imperialists are concerned the political aims of the dirty war in South Vietnam, which is highly unpopular in the United States, are worth the price paid in men and dollars.

The universal resistance of the South Vietnamese people to the American intervention is an indisputable and evident fact. The occupation forces and punitive expeditions are suffering defeat after defeat. The liberation army of South Vietnam is growing. So too is the front of resistance to the invaders and their Saigon puppets. Leading U.S. military analysts maintain that a strategy based on air and naval operations will not bring the United States victory in the war and that, consequently, it will have to bring land forces into action on an increasingly wider scale and thus become more and more embroiled.

The Pentagon strategists, however, seem to have something else in mind: they want to escalate the war, to extend it beyond the borders of South Vietnam and involve a number of Southeast Asian states in the conflict.

Washington hopes in this way to set up the kind of regimes it wants in these countries. This explains why the United States has flagrantly violated the international agreements on Laos which it signed in 1962, why it is interfering in the internal affairs of this country where it has virtually broken up the coalition government and where it is engineering one provocation after another. The situation in Laos which it signed in 1962, why it is inter-a military conflagration. Washington's war in South Vietnam and its aggressive policy in Laos threaten the latter's security and independence and also the neutrality of Cambodia.

Such is the military aspect of the events in Vietnam. How are they to be regarded in the context of world politics? American statesmen usually pay lip service to peace. "We love peace," declared President Johnson literally on the day after the bombing raid on North Vietnam. How is it possible to reconcile Washington's lip service to peace with its aggressive policy in various areas of the world? The American press, invoking the traditions of U.S. foreign policy, has suggested that military measures should be accompanied by diplomatic acts. But in the world today aggression is rendering diplomacy null and void, the explosion of bombs is silencing all demagogic prattle about a peaceful settlement. A diplomacy supplemented by predatory acts ceases to be diplomacy, and its chances of success are nil.

The dirty war in Vietnam, the provocations against Cuba, subversion in the young African states, active support for a multi-nuclear force in Europe under the aegis of NATO —

these are some of the things which the peace-loving people in the world place to the account of the U.S. imperialist oligarchy. Small wonder that Washington's policy in Vietnam has won the applause of extremists like Goldwater and Nixon.

The U.S. reactionaries refuse to understand that it is dangerous to rely on a purely military settlement of the outstanding issues, to reject out of hand other avenues of negotiation. The policy of aggression and provocations directed against the socialist countries — whether in Asia, Europe or Latin America — is fraught with grave consequences.

Not only representatives of the socialist countries think so. Bourgeois statesmen who take a more realistic view of the situation in Southeast Asia than their Washington colleagues do are of a similar opinion. Sober-minded people all over the world, and the more sober bourgeois newspapers in the West, are urging a halt to the military operations in South Vietnam, the withdrawal of U.S. troops from the country, and that the South Vietnamese people be given the right to decide their own destiny.

Realizing that they may find themselves isolated morally and politically, U.S. ruling circles are anxious to create at least a semblance of consolidation of the capitalist world around their aggressive policy in Vietnam. Hence their efforts to impart an "international character" to the war, to secure the backing of their NATO and SEATO allies, as well as of a number of Latin American countries whom they are pressing for at least "symbolic" aid. Such aid, according to American diplomacy, will show that the whole "non-communist world" supports Washington's policy in Southeast Asia. What have been the results of this maneuver?

So far only the American puppet regime in South Korea has agreed to send a contingent. The governments of the other countries have shown little enthusiasm. The Chilean and Venezuelan governments, for example, have made it clear that they will not send any troops to Southeast Asia.

But the most significant result is that U.S. imperialism's maneuver aroused a storm of protest in these countries, showing that public opinion will not allow a repetition of the Korean adventure.

"What have Argentinians got to do with Washington's destructive war in South Vietnam?" wrote *Propositos* on January 23, and, it went on, "the only thing we Argentinians could propose is that battalions of volunteers be formed and sent immediately to South Vietnam to help patriots in their heroic fight against the U.S. invaders."

The world Communist movement has spoken out loud and clear. The Communist parties of Latin America, expressing the will of their peoples, have strongly protested against the U.S. military aggression. The Argentinian and

Chilean Communist parties published a joint statement after a meeting of their representatives in Buenos Aires in which they call upon all democratic forces to oppose military agreements with the United States which obligate the Latin American countries to render military aid to the North American imperialists who are out to crush the national-liberation movement in Vietnam and in other countries. The Communist parties stress that the U.S. imperialists, after having unleashed war in Southeast Asia, are now encroaching on the sovereignty of the Latin American countries and would have their sons turned into recruits for the Pentagon.

In other countries the Communist parties are urging that their governments pursue a policy conforming with national interests, and, at the same time, are formulating the Communists' solution of the Vietnamese problem.

The French Communist Party called on the working class and all peace supporters to denounce the aggressors, to demand an end to the U.S. intervention in Vietnam and the withdrawal of American troops from the country, that the Geneva agreements on Indochina be observed and a new international meeting called to which France should make her contribution.

The Italian Communist Party published a statement on February 9 calling upon the workers and peasants to display solidarity with, and render unanimous support to "the patriotic forces of South Vietnam who are fighting for the liberation of their country, and the people and the government of North Vietnam."

The question of war and peace is today being decided in Southeast Asia, said John Gollan, General Secretary of the Communist Party of Great Britain. The British peace forces must demand, he stressed, that the Government withdraw its support of the dirty war in South Vietnam and insist on a conference in Geneva and the evacuation of American troops from the South Vietnam area.

Expressing the viewpoint of American Communists, Gus Hall, spokesman for the Party, said that the bombing of North Vietnam, carried out on President Johnson's orders, was an act of brutal aggression that aroused the indignation of the whole world. This act, he said, was the gravest threat to world peace since the Cuban crisis.

The bourgeois press, too, is uneasy about Washington's policy. "The only way out," wrote the *New York Times* on February 10, "is diplomatic, international, political, economic — not military. A solution will not be found by exchanging harder and harder blows."

The mass protest movement against the predatory action of the American military

which has swept Europe, Asia, Africa and Latin America shows the possibilities for uniting the anti-imperialist forces and the forces of peace in a broad front.

There is hardly a country which has not been the scene in recent weeks of public demonstrations and meetings against the U.S. aggression. Opposition to this reckless policy is mounting in different parts of the world. Nearly all the independent states of Asia and Africa have spoken out in favor of a peaceful settlement in South Vietnam.

The world situation shows the great strength of the international Communist movement, what joint actions of all its contingents represent in our time. International imperialism is the enemy not only of one group of countries or of one nation. Its policy of "brinkmanship" imperils the destiny of all nations.

The U.S. imperialists hope that the people of the world will not realize this, that the great army of peace forces will be in disarray and scattered in the face of danger. The imperialists acted on this assumption more than once in the past only to be foiled by proletarian internationalism, by the solidarity of the peoples of the socialist countries.

The aggressive actions of the U.S. against North Vietnam will hardly escape a similar fate. As noted in the Joint Soviet-Vietnam statement, issued following the visit to Hanoi of the Soviet delegation, headed by Premier Kosygin, "these very dangerous actions are at the same time a provocation against the entire socialist camp, against all who stand for peace, freedom and justice."

The statement notes that the governments of the two countries have reached agreement on the measures to be taken to strengthen the defensive capacity of the DRV, and have also agreed to consult regularly on the said questions.

The urgent task is to ensure the unity of the socialist countries on the international arena in the face of the aggression and military provocations of the imperialists. The socialist countries have the potential with which to contain, step by step, the international piracy of the monopoly bourgeoisie and, eventually, to put an end to it. This will create the most favorable situation for winning genuine national independence, freedom and democracy, for achieving social, economic and cultural progress along the road to socialism.

The socialist countries are erecting safeguards to prevent the forces of aggression from inflaming the world situation. This is evident, in particular, from the decisions of the recent meeting of the Political Consultative Committee of the Warsaw Treaty countries. The meeting, which was held in an atmosphere of mutual understanding and unanimity, showed that the hopes and the designs of the imperialists to divide the socialist community rest on sand. The communique issued by the meeting

states: "The United States is continuing its hostile policy towards the Republic of Cuba, and its dangerous provocations against the Democratic Republic of Vietnam. The member-states of the Warsaw Treaty, and all the socialist countries denounce this aggressive policy." Experience has shown, especially in recent years, that if the socialist countries, guided by the principles of proletarian internationalism, act as a united force in the international arena, the more successful they are in upholding the gains of socialism, consolidating

peace, accelerating the liberation of people and social progress generally.

Communists believe in a realistic approach to world affairs. They are well aware of the fact that imperialism has not changed its aggressive nature. But in the world of today, when the forces of socialism are steadily growing, it is becoming more and more difficult for the aggressive imperialist circles to achieve their aims. Their designs can be foiled by active, well-organized struggle waged by the people.

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