WORLD
Problems of
MARXIST
Peace and Socialism
REVIEW

ecember 1978, Vol. 21, No. 12 $1.00

Britain /111

Contradictions in U.S. policy /3

Chronic malaise of capitalist economy /130

Apartheid: a monster fed by imperialism /24

Latin American panoroma /53

Middle East /31

Workers of all countries, unite!

WORLD
Problems of
MARXIST
Peace and Socialism
REVIEW

Theoretical and information journal of Communist and Workers' Parties

December 1978, Vol. 21, No. 12

Features

3 The rocky road of contradictions
Gus Hall

13 A mighty factor of economic progress
V. Hula

24 A monster fed by imperialism

31 Plot against peace in the Middle East
E. Habibi, N. Ashhab

Party experience

39 Lessons of the recent past
E. Papaioannou

44 The Portuguese communists in the struggle for peace
A. Nunes

Viewpoints

Latin American Panorama

53 The Chilean economy in crisis
H. Fazio

61 Changes in the Dominican Republic
N. Isa Conde

66 Solidarity with the people of Nicaragua
V.B.

Science, culture, ideology

68 Philosophy, world view, science
P. Fedoseyev

Continued next page

Continued

Exchange of views

79 The agrarian question and the peasantry's role in developing countries
International conference

100 Monopolies under present-day capitalism
A. Mileikovksy, Y. Yudanov

111 Alternative economic strategy for Britain
R. Bellamy

The press

121 Gathering storm
L. Sheidin

125 A glimpse of Portugal's future
J. Pittman

Facts and figures

130 The capitalist economy: chronic malaise
U. Beyreuther

137 *Index of contents 1978*

Represented on the Editorial Board and Editorial Council of PROBLEMS OF PEACE AND SOCIALISM are the representatives of Communist and Workers' Parties in the following countries: Algeria, Argentina, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, Colombia, Cuba, Cyprus, Czechoslovakia, Denmark, Dominican Republic, El Salvador, Finland, France, German Democratic Republic, Federal Republic of Germany, Great Britain, Greece, Guatemala, Honduras, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Lebanon, Luxembourg, Mexico, Mongolia, Panama, Paraquay, Peru, Philippines, Poland, Portugal, Rumania, Senegal, South African Republic, Spain, Soviet Union, Sudan, Syria, Sweden, Switzerland, Turkey, United States, Uruguay, Venezuela.

Second class mail registration number 2352. Printed in Canada. ISSN 0043-8642

WORLD MARXIST REVIEW is the North American edition of the monthly journal Problems of Peace and Socialism published in Prague.

Microfilm edition available through University Microfilms Library Service.

SUBSCRIPTION RATES: Canada and U.S., $7.50 a year. Other countries, $11.50. Institutions, double rate.

PROBLEMS OF PEACE AND SOCIALISM is also published in Arabic, Bengali, Bulgarian, Czech, Danish, Finnish, Flemish, French, German, Greek, Hebrew, Hindi, Hungarian, Indonesian, Italian, Japanese, Malayalam, Mongolian, Norwegian, Oriya, Persian, Polish, Portuguese, Punjabi, Rumanian, Russian, Singhalese, Spanish, Swedish, Tagalog, Tamilnad, Turkish and Vietnamese.

Subscriptions to these may be obtained through PROGRESS SUBSCRIPTION SERVICE, 71 Bathurst Street, Third Floor, Toronto, Ontario, Canada, M5V 2P6.

Or, in USA from IMPORTED PUBLICATIONS, 320 West Ohio St., Chicago, Ill. 60610

WORLD MARXIST REVIEW is published by PROGRESS BOOKS, 71 Bathurst Street, Third Floor, Toronto, Ontario, Canada, M5V 2P6.

Copyright © 1968 by
Progress Books, Canada.
All Rights Reserved.

feature

The rocky road of contradictions

Gus Hall
General Secretary, CPUSA

Since Franklin D. Roosevelt, the presidents of the United States have tried to travel along what is called the 'middle of the road' of bourgeois politics. It is the art of riding the rocky road of contradictions. It has never been a smooth path because it involves making some concessions to the working class and the people. And now, as a result of the deepening general crisis of capitalism, the 'middle of the road' has narrowed and seriously eroded.

The confusion, the double-mindedness, the contradictory statements and actions which characterize the Carter Administration are a reflection of the sharpening contradictions afflicting U.S. monopoly capitalism. The vacillations are more a reflection of the erosion of the 'middle of the road' and the decline in the options available to U.S. capitalism than a reflection of Carter's personality traits.

Capitalism was born with its unique, built-in contradictions. The primary, and the well-head for all contradictions, is the irreconcilable contradiction between the classes of capital and labor, the corporate appropriation of the socially produced product. Capitalism has gone through many phases, but this class contradiction remains the primary line of division, as well as the Achilles Heel of capitalism.

It is necessary to keep rejecting the continuing attempts to water down the primary nature of the class contradiction. Some water it down by listing it as just one of the long list of contradictions; others argue more openly that the class relationships have changed and therefore the class contradiction, the class struggle and the unique role of the working class have all faded into the background. These fairyland concepts of capitalism serve as excuses for opportunism.

As monopoly capital, and the state it dominates wrestle with the problems of decay, new elements are added to the basic class contradiction. The increasing activities of the state on the side of monopoly capital, the growth of monopolies and multinationals, the new level of technology, the changes in the composition of the working class, the change in the balance of world forces — all raise new questions. But they do not in the slightest change or replace the class contradiction that is the very essence of capitalism.

Thus, for the working class, this primary contradiction and the class storms that it brews and sustains, of necessity must remain the basic point of reference and its central point of focus. The aggravation and the sharpening of the class contradiction is the main reason why the Carter Administration is stumbling in its attempt to ride the 'middle of the road.'

As the struggles that are spawned by the primary contradiction of capitalism intensify there is a related sharpening of all other contradictions. These contradictions also cast a heavy shadow on the Carter Administration and the U.S. Congress.

The sharpening of these contradictions create divisions within the ranks of big business, even though the differences remain within the framework of the overall interests of U.S. monopoly capital. They are of great tactical significance, especially when a section of monopoly capital, or specific corporations, see their immediate class self-interests being best served by policies that coincide with the interests of the people, of world peace, détente and trade. Such forces have a broad political influence. Such allies may be wavering and fragile and they may be short-lived, but in periods of crisis they can contribute to the outcome of struggles.

There are sections of monopoly capital who see their self-interests served best by resisting policies that could lead to a nuclear disaster. But there are also nuclear maniacs like Brzezinski in the Carter Cabinet, and Senators like Jackson, Moynihan and Tower, as well as active and retired members of the military brass, who are willing to gamble on the very survival of humanity.

In May 1978, Brzezinski, Carter's National Security Adviser, said: 'It's inaccurate thinking to say that the use of nuclear weapons would be the end of the human race. That's an egocentric thought ... in strictly statistical terms, if the United States used up all of its arsenal in the Soviet Union and the Soviet Union used all of its against the United States it would not be the end of humanity' (*The New Yorker*, May 1, 1978).

What are the underlying problems that create the divisions within the U.S. ruling-class circles? The key questions creating these divisions are differences over: how to respond to the new problems faced by U.S. imperialism in a period when it is losing ground; how to maneuver; how to retreat; how to react to the contradictions in a period of decline. The unique problems of U.S. state-monopoly capitalism are influenced of course by the new stage of the general crisis of world capitalism.

Michael Blumenthal, U.S. Secretary of the Treasury, admitted the dilemma of U.S. and world imperialism when he said: 'The leaders of the world's great industrial powers do not always share common

views on economic policy issues these days. But on one subject they are certainly agreed: there has rarely been a time when the art of governance was more demanding and the choices of policy more circumscribed' (*Foreign Affairs,* July 1978, p. 728).

For U.S. imperialism the 'circumscription' has many sides. The U.S. remains the dominant pillar of world imperialism, but the following facts provide an indication of its narrowing sphere of operations: In 1960, the U.S. share in the world's export of manufactured goods was 22 per cent; by 1977, it had declined to 15 per cent (*Monthly Bulletin of Statistics,* United Nations, Special Table E, June 1978).

This trend in the uneven, shifting sands of world imperialism seriously affects U.S. relations, especially with West Germany, Japan and to a lesser degree with other capitalist countries.

These contradictions have sharpened because the 'choices are more circumscribed' for the capitalist world in general.

The Trilateral countries[1] have more 'summits,' they set up endless commissions, publish tons of reports and studies, and make promises to each other. But they do not and cannot come up with solutions to the inner crisis of world capitalism.

The contradiction between world imperialism and the forces of the world revolutionary process, and its central hub — the contradiction between the countries of socialism and the capitalist world — has an enormous effect on developments in the United States. This is the primary contradiction shaping U.S. foreign policy. Sections of monopoly capital and members of Carter's Cabinet sit on both horns of this dilemma.

The intensity of this contradiction arises from the fact that U.S. imperialism refuses to accept the realities of a military balance with the Soviet Union, or the inevitable process of national liberation and the political and economic independence of developing nations. The refusal to accept a military balance fires the arms race. It is the main obstacle to the control or the reduction of nuclear arms, and it is the obstacle to a reduction of arms and armed forces in Europe. This refusal is the central roadblock to peaceful coexistence.

The acceptance of a military balance and national liberation are two sides of one coin. The refusal to accept and adjust to the realities of national liberation leads U.S. policies to support and conspire with the most reactionary, fascist and militaristic forces in all corners of the world. U.S. imperialism maneuvers, and talks about 'majority rule,' but it remains the central world force against national liberation.

This is also the meaning of the Brzezinski-Kissinger policy of 'linkage.' Détente and trade are 'linked' to demands that the Soviet Union and other socialist countries give up their support to movements and struggles of national liberation. The so-called issue of

'dissidents' and 'human rights' is absolute fakery. The real issues are the policies of imperialist expansion and 'linkage.' The developments in Africa are in the center of the 'linkage' concepts.

The source of the contradiction becomes clear from the following: 38 per cent of crude petroleum imports to the U.S. comes from Africa; 53 per cent of U.S. diamonds comes from South Africa, 11 per cent from Zaire; 31 per cent of U.S. manganese ore comes from Gabon; 39 per cent of U.S. chromite comes from South Africa; 34 per cent of the ferrochromium comes from South Africa, 24 per cent from southern Rhodesia. (*Department of State Bulletin,* March 1978, p. 1.) And similar percentages of copper, cobalt and cocoa must be added to the list.

The 'linkage' concept is an attempt at extortion. This explains the hysterical campaign against the Soviet Union, Cuba and the other socialist countries who are giving aid and support to peoples who are fighting for their liberation and independence in Southern Africa. The hysteria is understandable because U.S. imperialism is fully aware that the victories of the peoples of Angola, Ethiopia and the other countries in a qualitative sense change the world relationship of forces.

In the very center of the contradiction plaguing U.S. foreign policy is the one between the two world systems. For U.S. imperialism the crisis of the transition to socialism is most painful.

The contradiction between the two world systems is influenced by the changing relative economic comparisons. In 1977 the industrial production of the Soviet Union and the European socialist countries reached 75 per cent above their 1970 levels, while the production of the main capitalist countries reached 26 per cent above their 1970 levels. The refusal to accept these new realities adds new problems for U.S. imperialism.

Trade with the socialist countries has become an important element in U.S. foreign relations. It has the most positive effect of any trade on the U.S. trade balance and with one or two exceptions the socialist countries are the best of all paying customers. But as is the case with most new developments, this trade presents its own contradictions to monopoly capital.

There is a growing hunger for this profitable business. Thus, there is great pressure from business circles for the elimination of the discriminatory trade restrictions such as the Jackson-Vanik Amendment to the trade laws. But there is a contradiction between capitalism's hunger for this profitable business and monopoly capital's inferiority complex and neurosis because of the growth rate of socialism. As the balance of world forces keeps shifting the question

of trade becomes an ever more powerful factor on the side of socialism.

The hunger for trade with socialist countries is influenced by the economic cycles. When the economy is on the down side of the cycle the hunger for trade goes up. The new factor in U.S. trade with the socialist countries is that it is not now able to control the trade policies of the other capitalist countries.

There is a new quality to the domestic contradictions plaguing U.S. imperialism because they are related to and influenced by the world crisis of transition. U.S. imperialism cannot insulate itself against the shock waves of the historic transition from capitalism to socialism. The reserves it can draw upon are drying up. The areas of the world to which it can export its crisis elements have become greatly limited. This increases the frustrations and deepens the contradictions.

Most of the domestic and international contradictions gumming up the machinery of U.S. imperialism have become intertwined and interrelated. There is a domestic backlash from a foreign policy that refuses to accept the new world balance of forces. It has reached a level where it is impossible to find domestic solutions without some shift in foreign policy. So far the Carter Administration has refused to accept this new element, but the pressures are increasing.

This year the arms race must be supported by a $130 billion military budget that escalates by 10 per cent each year. This level of arms production — the production of goods that do not enter the market — has become a major propellant for inflation, and for an escalation of taxes. As the military budget goes up, the monies for social services are cut. Thus, the foreign policy of aggression and the military budgets to support it result in a declining standard of living.

The present trend has brought about a growing contradiction between the escalating expenditures for the military, including funds to keep up some 2,500 foreign military bases, and the domestic needs, social services, education, housing, etc. The 'middle of the road' between the military budgets and the needs of the people has largely disappeared.

U.S. production and foreign trade are not able to counterbalance the monies spent on arms. The result is a continuing negative balance of trade and a continuing slide in the value of the dollar on the world's money markets. The catastrophic drop in the value of the dollar on the world market is a product of policies that are out of touch with reality. U.S. imperialism is using the dollar weakness as a weapon against its capitalist competitors. In the short haul it makes U.S. products more competitive. But the Wall Streeters are gambling without taking into consideration the inevitable economic backlash.

Racism is an integral feature of U.S. capitalism. It is an instrument

of extra profits. Racism has always been a feature of U.S. imperialist foreign policy. This has now emerged as a serious contradiction. This is the contradiction Andrew Young, U.S. Representative to the United Nations, has to wrestle with. Afro-Americans do not and will not support the U.S. maneuvers in Africa. They are actively supporting the struggles for democratic Black majority rule. On the other hand, the Carter Administration has not lived up to Carter's election promises to the Afro-American community.

In Africa, it cannot hide its racist policies in the U.S. It cannot hide the 280-year prison sentences of the Wilmington Ten.[2] It cannot cover up the racist Bakke decision[3] by the Supreme Court. And in the U.S. it cannot hide the pro-racist maneuvers and support it gives for the minority racist regimes in Africa.

And what is adding a new dimension to this contradiction of U.S. imperialism both at home and abroad is the fact that there is emerging a worldwide consensus and support for the struggles against racism.

The deepening general crisis and the accompanying contradictions present U.S. capitalism with ever new problems. From a country that for long historic periods enjoyed the highest economic growth rates, the U.S. has now sunk to the bottom rungs. The 2.9 per cent annual growth rate between 1967 and 1977 is close to stagnation. In 1967, the combined gross national product of the European NATO countries amounted to 81 per cent of the U.S. gross product. In 1977, the same capitalist European countries' gross national product was 90 per cent of the U.S. total. The unprecedented growth rate of the military production sector, and the growth of the U.S. dominated multinationals has a negative effect on the overall U.S. production rate.

For generations the U.S. and the other imperialist countries used the oppressed colonial and semi-colonial countries as private reserves for cheap raw materials. With a change in the world balance of forces has come a change in these relationships. The U.S. corporations are now forced to make somewhat higher payments for the raw materials.

One does not now hear projections of a capitalist future without economic crisis. And for good reasons. The underlying contradiction arising from private ownership of the means of production and exploitation of wage labor which inevitably lead to crisis are again fully operative. No manipulations of state-monopoly capitalism can avert their ultimate consequences. The sequence of events which typically head into an economic crisis is clearly underway: soaring interest rates, accelerating inflation, a boom of growth stocks, of land and other speculative sink-holes. The first swallow of the developing economic crisis is the crisis of overproduction in industries like petrochemicals, plastics and shipbuilding.

There are also some other new aspects to state-monopoly capital.

Because of its tight controls and the new technology it can increase its profits with less production, less capital expenditures, but with inflationary prices. Also, the corporations can make greater profits from a smaller number of workers working longer hours. Because of this the question of forced overtime while millions are unemployed has emerged as a sharp issue. This tends to increase the army of the permanently unemployed.

Karl Marx correctly foresaw the development of credit and the contradiction it would present to capital: 'The credit system accelerates the material development of the productive forces. ... At the same time, credit accelerates the violent eruptions of this contradiction — crises' (Karl Marx, *Capital*. Vol. III, p. 432).

The credit system has reached a point where the 'violent eruptions,' the negatives, have become the primary features. The system of credit — of doing business and operating the state with borrowed money — has become an indispensable feature of state-monopoly capitalism. When the borrowed money comes in, it acts as an economic stimulant. But, as anyone who has borrowed money knows, there are two problems that follow: first, there is the problem of paying the interest; secondly, there comes the day when the money has to be paid back.

The interest of the U.S. federal government's debt has now reached $50 billion annually and still going up; some $50 billion a year is added to the $700 billion federal government debt. This must be added to the budget each year.

Many of the newly independent and developing countries are now also at the point of a credit crisis. Most of the $400 billion owed by the developing countries is owed to the banks of the imperialist countries. The collecting of interest on this debt has become a new form of imperialist exploitation. Many of the countries in debt are now borrowing money just to pay the interest on the old debts. The U.S. government is now making loans to countries just so the private U.S. banks can collect on their loans. Marx was correct, this credit crisis has 'accelerated the violent eruptions' worldwide.

Behind the guarded walls of the Federal Reserve Bank the U.S. banking conglomerates, using the excuse of fighting inflation, keep cutting the money supply and keep escalating the interest rates. This has become a major feature of exploitation of the working class by the financial section of monopoly capital. It adds a new burden on the people.

To this must be added the system of credit buying by the people. This adds to the market, but it also has a breaking point, after which it becomes a negative factor.

There is a crisis of the big cities because they have reached the

crisis point of borrowed existence. When the banks, who buy the municipal bonds, see the handwriting on the wall they cut the credit and the cities are forced to cut back on all social services and sell new bonds to pay for the interest on the old ones. So the system of credits and its inevitable crisis point adds a new dimension to most of the contradictions in capitalism.

The introduction of new technology also adds to the contradictions. The addition of new technology to the production forces changes the organic composition of capital because relatively more is invested in machinery. This adds to the inherent tendency of a falling rate of profit. This, in turn, forces monopoly capital to try to compensate for the falling rate by increasing the amount of production. Because they have no real control over the market this tends to intensify the contradiction between production and the market.

In the state-monopoly phase of capitalism the state increasingly becomes an integral feature of the economic process. In the U.S. the state has become entangled a hundred ways in the web of monopoly capital. Big business harangues against 'big government interference.' But if the state were to step aside, or even cut down and return to the level of its limited role in pre-monopoly times, the entire capitalist system would go into a tailspin. This is also one of the new contradictions. Big business wants 'interference,' but only if it reaps the benefits. The Carter Administration wavers between the horns of this dilemma also.

In the earlier days of monopoly capital it was possible to identify financial centers and even banks or corporations with specific regional interests. Oil corporations were oil corporations, and steel corporations were limited to producing steel. With the development of state-monopoly capitalism and the rise of financial conglomerates these lines have become scrambled. The identity of individual corporate interests has become much more diffused and the self-interests overlap. This has also added to and complicated the contradictions of U.S. capitalism.

An understanding of the contradictions and the divisions in the ranks of the class enemy was always important. It is much more so in this period because all questions are related to the historic transition. Such an understanding gives a lead as to where to put the pressure and whom to make alliances with. And a correct understanding of the primary class contradiction helps one to keep a primary focus on the class struggle.

The Carter Administration is now in the midst of a major crisis of credibility. This is a product of Carter's two-faced demagogy. He won the election as the preferred candidate of the Trilateralists. In order to win, however, he had to bring together an electoral coalition

of popular forces, mainly workers, racially oppressed minorities and sections of the lower and middle strata, whose self-interests are in contradiction with the interests of monopoly capital.

To forge this coalition and to hold it together, he was compelled to indulge in a great deal of populist demagogy. True to his basic lack of principle Carter tends to go with what he considers to be the strongest current. But he always keeps the options open for a switch to another direction if he thinks the winds have shifted. This is seen in his actions, and especially in the composition of his closest advisers.

It is most strikingly manifest in foreign policy. Vance and Warnke tend to be moderates who seem to realize that détente is essential and in the best interests of the ruling class itself. They also seem to want some checks on the arms race. Andrew Young, a moderate, is mainly concerned with saving U.S. imperialism's face in the 'third world,' especially Africa. He therefore seeks a kind of neo-colonial policy that makes some concessions and can be sold as 'new' and 'different' from the old imperialist policy. Brzezinski the "Rockefeller-cloned gusano,' on the other hand, is a hardened, professional, inbred anti-Sovieteer — a cold warrior who sees all world questions from the view of his hostility toward socialism and the Soviet Union. He wants confrontation and an escalation of the arms race.

Carter keeps this antagonistic grouping together by trying to move in two directions at the same time. He stops the B-1 bomber, but endorses the cruise missle. One day he is for the neutron bomb, the next day against it. And on the third day says he hasn't made up his mind, but is waiting for the Soviet Union to give something in return. The Carter Administration is a big business administration, in ideology and politics, but tries to play both sides of all contradictions.

Carter is indecisive because of his different advisers who represent the differences in the ranks of the ruling monopolist groups. Some of them want him to come to terms with the Soviet Union and lessen the strains in the country due to its extreme crisis; others favor increased arms and are for first-strike possibilities. Lenin very correctly said that a dying class is not fully rational in its judgments.

There is a view being assiduously spread, and seemingly accepted by Carter, that the country has now swung to the right, and that the disenchantment with him is due to his lack of 'toughness.' Therefore, Carter is now demagogically trying to represent himself as being 'tough.' Carter takes a firm stand on both sides of most questions.

The situation is complicated because of the emergence of a well-coordinated, well-financed, exceedingly slick and clever 'new look' right that has grabbed the initiative on a number of emotional and complicated issues. And by its aggressive drive, this 'new look' right has made it appear as if it really speaks for the majority. That it does

not can be seen by various polls, and the rising wave of mass actions and movements. On détente with the Soviet Union the public opinion polls continuously indicate 71 per cent or higher support. And on the neutron bomb the latest Harris Poll shows a swing against 1977 from support for the bomb to majority opposition.

Thus, the country has not gone to the right, despite the right's rather successful attempt to make it seem so. The 'new' ultra-right successes and its growing threat arise from a more sophisticated kind of thrust, and from the backing it is receiving from a much larger segment of the big business community. Its appearance is no longer limited to 'kooks' or 'crazies.' These are still operating, but the John Birchers seem to be ready to accept second fiddle to the new 'mass' approach. This consists of a careful computerized study of mass currents and sentiments by area, ethnic group and special interest groups, with a separate, demagogic appeal to each. Computers are used to direct the appeal to where it will have the greatest results. The 'new' right concentrates its appeal on emotional issues that produce a knee-jerk reaction. Facts are twisted out of context to resemble their opposite.

Thus, dětente and SALT II are twisted into 'surrendering to Moscow;' denying the right to abortion becomes 'the right to life;' labor reform legislation is branded as 'payoffs to labor bossism;' the Panama Canal treaty is called 'giving away our canal;' inflation and taxes are treated as 'attacks on the middle class,' by which they mean all who work steadily; unemployed youth and people on welfare are treated in racist terms as people who are too lazy to work and want to live on handouts; affirmative action, which arises from attempts to end discrimination, is twisted into 'reverse discrimination.'

The right does not represent the majority in the country, as many polls have shown. But by their ability to energize, activate and organize their constituencies the right gives the appearance of being the majority, and often becomes so by default.

Another factor that must be taken into consideration is the emergence in Congress — in the name of 're-establishing the prerogatives of Congress' — of a very active and aggressive, reactionary, cold war, right-wing bloc. This bloc casts its shadow on the Carter Administration. Even before SALT II is agreed to, this reactionary bloc of Jackson, Byrd, Moynihan, Baker and their allies have already publicly cast their votes against it.

The new level of the contradictions is stimulating new mass movements. In the final analysis, it is this mass response that is going to determine the nature of the current developments and the direction of history.

The internal and external pressures on the Carter Administration to

shift to policies based on a realistic assessment of the movement will continue to grow. The people of the United States are not accepting a return to the cold war policies.

1. Reference is to the developed capitalist countries, the USA, Canada, countries of Western Europe and Japan. In 1973 the Rockefellers set up a commission composed of leading financial, industrial, governmental and intellectual personalities from these countries to work out imperialist strategy and tactics. — *Ed.*

2. Ten civil rights fighters jailed in the port city of Wilmington, NC, in 1971 as part of a nationwide crackdown by federal and state authorities on the movement for justice and education for Afro-Americans. Owing to mass pressure in the U.S. and abroad, several have been paroled, but the rest, including the Rev. Ben Chavis, have still not been freed, although the questionable testimony on which they were convicted has been repeatedly exposed as fraudulent. — *Ed.*

3. The 5-to-4 decision of June 28, 1978, which upheld the claim of Allan P. Bakke, a 38-year-old white engineer employed at the National Aeronautics and Space Administration's research center, that a medical school allocation of 16 of 100 places for members of racial minority groups was 'reverse racism' and had barred his enrollment. The decision was seen as a blow against the principle of state and government positive action for establishing equality of opportunity. — *Ed.*

A mighty factor of economic progress

Vaclav Hula
Presidium member, CPCz CC,
Deputy Chairman,
Czechoslovak government

In January 1979 it will be 30 years since the meeting in Moscow at which Bulgaria, Czechoslovakia, Hungary, Poland, Rumania and the Soviet Union adopted their historic decision to set up the Council for Mutual Economic Assistance (CMEA). It was set up to concert the fraternal countries' efforts in tackling the tasks arising from the economic growth of the socialist world system, to coordinate their activity in extending and deepening their economic cooperation and helping them in the balanced development of their economies. The GDR joined the CMEA in 1950, Mongolia in 1962, and Cuba in 1972. In 1978, the Socialist Republic of Vietnam became the tenth member of the Council.

From the outset, this international economic organization based its activity on the principles of proletarian, socialist internationalism, complete equality, respect for national interests and sovereignty, mutual advantage and comradely mutual assistance. One of the main lines of activity of these countries' Marxist-Leninist parties is guid-

ance of the all-round development of their economic ties with each other. Their growing unity and cooperation in tackling political, ideological and economic problems is of tremendous importance in working out and implementing their common strategic line, which is aimed to expand and deepen their economic cooperation and to overcome any difficulties on the way.

The CMEA's experience of 30 years shows that their concerted and balanced activity is of invaluable assistance in developing diverse forms of cooperation and solving complicated problems in building socialism and ensuring rapid economic growth in the individual countries and in the community as a whole. This helps most successfully to boost the community's economic growth, and to accelerate the development of socialist countries which, for various historical reasons, had lagged in building the material and technical basis of socialism.

Since the CMEA's establishment, the fraternal countries have developed their productive forces to a high level, strengthened their socialist relations of production, and rapidly raised living standards. The socialist community is now a powerful economic complex with a large-scale raw-materials base, a great research and development potential, ramified industries — manufacturing, engineering, chemicals — and a modern agriculture.

In 1975, the CMEA countries' industrial output was 45 per cent up on 1970, with each percentage point in industrial growth in 1975 to 10 times weightier than in 1970. In that five-year period, the industrial increment alone was nearly five times the 1950 industrial output, in absolute terms.

The community is the most dynamic force of our day. The CMEA countries have always given much attention to solving the raw-materials and energy problems, and harmoniously developing the extractive and manufacturing sectors within the framework of the community. When the CMEA was set up its members accounted for about one-fifth of the world industrial product; today it is more than one-third. In 1950, the CMEA European members accounted for 31 per cent of Europe's economic potential, and in 1977, for 53 per cent; the figures for capital investments were, respectively, 32 per cent and 56 per cent, and for national-origin energy resources, 46 per cent and 76 per cent. By the end of 1975, the CMEA countries' industrial product was double that of the EEC, and from 1971 to 1975 their industry developed four times as fast as that of the developed capitalist countries. This is in sharp contrast with the state of the capitalist world economy, which has yet to overcome the difficulties produced by the economic, raw-materials, monetary and financial crises of the mid-70s.

The gradual alignment of the development levels of the CMEA countries is a characteristic feature of the Community's economic potential. This is an objective process for the socialist world, which springs from the principles of socialist internationalism, and which enhances the cohesion of the socialist countries. Here are some concrete examples to show the positive changes in the relation of the fraternal countries' development level. When the CMEA was set up, the spread between the highest and lowest national-income-per-head level in the European CMEA countries was expressed as a ratio of 3 to 1. Today it is only 1.5 to 1.

This trend is also borne out by the data on the rate of growth of their national income and industrial product between 1950 and 1977:

	National income	Industrial product
USSR	7.6 times	10.9 times
GDR	5.7	8.0
Czechoslovakia	4.5	7.5
Hungary	4.5	7.8
Poland	6.7	14.1
Bulgaria	9.8	20.3
Rumania	12.0	25.9

We find that the economically weaker countries had a much faster growth rate.

The CMEA countries' successful development is also confirmed by the progressive changes in the structure of the national economy, which are based on the planned distribution of capital investments among the industries in accordance with their national-economic importance. At every stage of socialist construction, a sizable part of these funds have gone into the development of industry. From 1970 to 1977, the CMEA countries' investments in the economy went up by 60 per cent, as compared with the 18 per cent in the developed capitalist countries.

The preceding stages of the CMEA countries' economic development were marked by deep changes mainly in the macrostructure of their economic complexes, but now there is a need to change their economic structure on a microlevel so as further to deepen their international socialist division of labour. This can be done through a further marked enhancement of efficiency of investments and the accumulation fund by making use of the advantages of international cooperation and socialist economic integration.

Among the most important social consequences of the industrialization and structural changes in the CMEA countries' economy is the elimination of unemployment, growth of the active population,

qualitative changes in the distribution of manpower among the individual sectors (especially the flow from agriculture to industry) and more efficient use of uncommitted manpower resources.

Employment in the socialist countries' industry has been growing much faster than total employment in the national economy. Thus, nearly 30 per cent of the working population is employed in the industry of the European CMEA countries, whereas in 1950, only 10 per cent were employed in industry in Bulgaria and Rumania. One typical development is the reduction in the share of manpower employed in agriculture with a steadily growing volume of agricultural output (in the past 25 years, the CMEA countries' farm output increased more than 2.5-fold). This is due, on the one hand, to the growing number of jobs in industry, and on the other, to the socialist transformation of agriculture, and the gradual advance from small-scale to large-scale agricultural production involving the use of advanced technology and a high level of mechanization. While the capitalist countries have a large army of unemployed, which capitalism is incapable of eliminating, employment in the socialist-community countries has been steadily growing.

The main purpose of the socialist countries' economic development is to raise the people's living standards, to enhance their material and social confidence, to ensure harmonious physical and spiritual development of men and women, i.e., ultimately to perfect the socialist way of life and ensure the individual's full development. The key task of the economic and social programs adopted by the congresses of communist and workers' parties of the CMEA countries and being successfully realized is to satisfy the people's constantly growing material and cultural requirements and to raise their living standards.

In the socialist countries, real wages have steadily grown with full employment. Thus, from 1971 to 1975, real wages per worker in the CMEA countries increased at 2.5-4.3 per cent a year. The size of pensions, aids to families with children and other types of social insurance have also been constantly increased. In all the CMEA countries there has been a quantitative growth and qualitative improvement in the structure of consumption, and this applies to foodstuffs and manufactures.

The balanced increase in large-scale housing construction is central to their social and demographic policies and is also an important factor in raising living standards in the socialist community. From 1971 to 1975, the CMEA countries annually built from 5 to 10 flats per thousand persons, and in the current five-year period (1976-1980) the volume of housing construction is further to increase. In order to continue improvement of housing conditions there is ever better complex equipment of the new flats, and this is done through appro-

priations which come to about 25 per cent of the cost of the new housing.

In the CMEA countries, there is a steady growth in the social-consumption funds which are used, in particular, to increase pensions and aids, develop public health services, education, culture, physical training and sports. For these purposes, the CMEA countries spend from 20 to 40 per cent of their state budgets. They lead the world in many types of social consumption.

Much is being done to meet the economy's growing requirements in high-skilled specialists. In 1975, the CMEA countries had between 22 and 46 per cent more specialists with a secondary and higher education than they did in 1970, and their socialist systems of education enable them to train ever larger numbers of specialists. The scourge of unemployment in the capitalist world frequently hits hardest at school- and college-leavers, whereas in the socialist countries young specialists are always guaranteed jobs and have good prospects for further applying their professional knowledge.

The forms of the CMEA countries' economic cooperation have been extended and deepened with the growth of their economic potential. This is based on the coordination of economic plans, which ensures stability and balance in their mutual relations and which has opened broad opportunities for production specialization and cooperation, and joint activity in science and technology.

By the early 70s, the CMEA economies reached a level at which it was necessary to work out and gradually realize in practice higher forms of cooperation aimed to achieve definite goals over a long period. This produced the Comprehensive Program of socialist economic integration, which was adopted by the CMEA's 25th session in 1971. A program of development and integration of the economies of the socialist-community countries, it determined the main lines and tasks of the integration process in the basic sectors of production, in science, technology and trade. The CMEA's 29th session in 1975 adopted an agreed plan of multilateral integration measures for the 1976-1980 period. It includes the most important measures until the end of 1980 in the joint construction and enlargement of production capacities through international specialization and cooperation of production and the solution of a number of key scientific and technical problems.

The socialist-community countries, it was emphasized at the 32nd session of the CMEA in June 1978, have scored great successes in implementing the Comprehensive Program and the plan of multilateral integration measures. Attention is centered on measures based on a pooling of the material, financial and manpower resources of the countries concerned, which create the facilities for meeting their

requirements within the deadlines set by the agreements. Among such measures is the construction of the *Soyuz* gas pipeline (from Orenburg to the USSR's Western border). A marked stride forward has also been taken in international specialization and cooperation of production, especially in engineering.

Assessing the integration process, its results and trends, the fraternal parties have reached the conclusion that the whole system of cooperation has risen to a new and higher level. The sphere in which objective socialist laws governing the development of the socialist world community operate is being expanded, economic cooperation is being deepened, and the fraternal countries' economies tend increasingly to complement each other to the tremendous advantage of each country and the community as a whole. Growing importance attaches to the international ties, and joint concerted activity of the fraternal nations, of their states and Communist Parties for the attainment of common goals, both in socialist construction and in the international arena. Thus, the new economic and political realities objectively demand greater cooperation and unity among the CMEA countries.

All of this, together with the available international experience, and the increasing complexity of the process of integration, which runs well beyond the framework of the five-year period, requires that the CMEA countries simultaneously work out and implement large-scale programs for joint action over the subsequent period. Here, the 32nd session of the CMEA made an important advance: it adopted long-term goal-oriented programs for cooperation in energy, fuel and raw materials, agriculture and the food industry, and also in engineering. These are designed for the period until 1990, and determine the strategy of cooperation over a long term, opening up opportunities for better use of the advantages of socialist economic integration, further extension of production specialization and cooperation and application of the latest achievements in science and technology. There is no doubt that the content of the CMEA countries' cooperation has been markedly enriched by the greater purposefulness and goal-orientation of their integration.

The balanced development of this cooperation displays the advantages of socialist economic integration and shows that it is fundamentally different from capitalist-type integration. The predominant monopoly trends in the capitalist countries are expressed above all in the establishment of giant transnational concerns. Capitalist integration, spurred by the law of maximum profit-making, does not and cannot do away with the differences in economic-development levels. On the contrary, it frequently compounds these differences. In class

content, it is aimed against the working people's interests and cuts across their urge for material and social confidence.

Socialist economic integration meets the interests of all the states involved. It helps to overcome the differences in economic-development levels and to consolidate the socialist community as a whole. Under capitalism, the economically weaker partners are actually forced to accept an unequal status in integration communities, while socialist integration is based on the principles of voluntary participation and complete equality. Its purpose is to ensure the growth of the material and social confidence of whole peoples and the full development of individuals in the socialist countries.

The Soviet Union has had and continues to play an exceptionally important role in the CMEA's activity. Bourgeois propagandists claim that the Soviet Union has been using its vast economic potential to 'enslave' the other CMEA countries and to 'dictate' its own terms of cooperation. But like other fraternal nations, the Czechoslovak people have been convinced by their 30 years in the CMEA that the USSR is loyal to the principles of socialist internationalism and that its relations with the other socialist countries are based on complete equality, friendship, fraternal mutual assistance and mutual advantage. The successful development of international socialist cooperation has always rested on the USSR's economic potential, its natural resources, its deliveries of high-technology machinery, equipment and key types of raw and other materials and energy. It has also generously shared its experience in planning, management, science and technology. In his Report at the 25th Congress of the CPSU, Leonid Brezhnev emphasized: 'We hold that scrupulous and precise fulfillment of the measures collectively planned by the fraternal countries, of our commitments to them, is the sacred duty of the State Planning Committee, the ministries, departments, production associations and enterprises, and of all those involved in this field. Let me express my confidence that our comrades will treat these matters with a due sense of responsibility and with complete understanding of their extraordinary importance for the socialist community and the successes of world socialism.'*

The USSR has put at our disposal the whole of its vast scientific and technical potential. One need merely point out that in cooperation with it and with its assistance, we are building such important high-technology projects as the metro in Prague, the atomic-power station at Jaslovske-Bohunice, the atomic-reactor works at Pilsen, and so on.

The Czechoslovak Socialist Republic has taken an active part in the CMEA's activities since its establishment. Our successes in

*25th Congress of the CPSU. Documents and Resolutions. Moscow, 1976, p. 13.

economic development are organically connected with the expansion and deepening of economic cooperation with other socialist countries. In his Report at the 15th Congress of the CPCz in 1976, Gustav Husak said: 'As the socialist countries draw closer together economically and the socialist community is consolidated, growing importance attaches to external economic relations for the development of our national economy. The ever broader involvement in the international socialist division of labor becomes an important factor in enhancing efficiency, meeting our requirements and helping in the balanced development of the economy. Deepening cooperation with the Soviet Union and other CMEA countries is the main channel through which our economy is involved in the international division of labor.'

Czechoslovakia's participation in the CMEA's activity has increased together with the growing strength of the socialist community and the perfection and development of various forms of cooperation. In the early years, we supplied machinery and equipment to the socialist countries which did not have an adequately developed industry. Today, as the Comprehensive Program for socialist economic integration and the plan of multilateral integration measures are being implemented, Czechoslovakia, together with all the other countries concerned, is taking an active part in capital investments, putting through various measures and supplying hardware and technology.

An idea of the scale on which Czechoslovakia is involved in international specialization and cooperation is provided by the 97 multilateral and 207 bilateral agreements containing commitments on imports and exports in the current five-year period (1976-1980). In 1977, the exports of specialized products were 18.6 per cent up on 1976, and of specialized engineering products 16.9 per cent, with its share in the export of machinery and equipment to the CMEA countries constituting 29.4 per cent. Among our commitments under the multilateral agreements on specialization and cooperation of production is one to increase the making of Tatra trucks in Koprivnice. We have continued to build up the production and technical basis of atomic engineering, and in the next decade this will help to supply reactors to other socialist-community countries as well.

The further integration of the CMEA countries' economic provides a reliable guarantee that Czechoslovakia will continue to have the necessary resources for its economic development and will continue to sell its products, confidently enhancing the efficiency and quality of production.

Our party devotes much attention to socialist economic integration, and like the other fraternal parties, does not confine itself to current matters, but seeks to look into the immediate future and map out the perspectives for further development of this international process.

We believe that with time even greater importance will attach to the factors which already have an active effect on the internationalization of economic life of the socialist states. These are: the growing scale and level of concentration of production; the alignment of the individual countries' economic levels and, most importantly, of the technological characteristics of their key industries; the growing need for scientific and technical cooperation and involvement of natural resources in international economic commerce; and the growing cost of development programs and technical renewal of facilities requiring a pooling of material and financial resources. It is already quite obvious that the planned cooperation of the socialist countries is gradually spreading to every element of their economic cooperation, including research and development, capital construction, and specialization and cooperation in manufacturing the finished product.

Fulfillment of the Comprehensive Program brings out the contours of the next, higher stage of integration, whose main content will, apparently, be the formation of an inter-connected production structure, and even more balanced development between the countries. The practice of socialist economic integration suggests that this stage will bring to the fore broad international cooperation of the economies at every level; a growth and expansion of international production and technical complexes, working under a single program and ensuring an optimal concentration of production: the final transition to forms of joint planning which help to mesh the integrating economies at every level of planning and management, from the national economies as a whole to organizations, enterprises and associations involved in the international division of labor.

The CMEA's prestige among various countries, and economic and business organizations and associations has been growing. It is an open international organization and all countries are free to cooperate with it in the most diverse forms. Yugoslavia has been actively participating in the CMEA's activity for many years. The CMEA has concluded agreements on cooperation with Finland, Iraq and Mexico. Representatives of the Korean Democratic People's Republic, the People's Republic of Angola, the Laotian People's Democratic Republic and Socialist Ethiopia attended the CMEA's 32nd session as observers. The session expressed its positive attitude to the interest displayed by Laos, Angola and Ethiopia in extending multilateral and bilateral economic scientific and technical cooperation with the CMEA countries.

The CMEA now maintains ties with 61 international economic, scientific and technical organizations. Its members have signed more than 80 bilateral agreements on economic, scientific and technical cooperation with West European countries.

The conclusion of a treaty between the CMEA and the EEC, and of treaties between their member-countries, could be an important step in the extension of economic ties. The CMEA and its member-countries have expressed their readiness to work out mutually acceptable terms for such a step, but it is necessary for the EEC to make a similar concrete response.

In the spirit of the Helsinki accords, the CMEA countries seek to expand in every way mutually advantageous economic ties in Europe and other regions of the world. Cooperation with developing countries, now going through an historically important stage, is an important element of their economic ties. This applies especially to the socialism-oriented countries, whom the CMEA countries regard as their friends and comrades in the struggle against imperialism, and to whom they have given support with the observance of the principles of non-interference in domestic affairs and respect for their right independently to determine their own way of development.

The 32nd session emphasized its members' determination to extend equitable and mutually advantageous cooperation with developing countries, promoting their socio-economic and cultural development, helping them to strengthen their positions in the world economy, to escape from oppression by the imperialist monopolies and to do away with colonialism in every form. When rendering all-round assistance to these young states, the socialist countries do not derive any advantage for themselves, and do not seek either to establish political domination or to set up military bases on their territory.

The CMEA countries help developing states to establish and strengthen their industrial complexes and to raise the scientific and technological level both of traditional and new sectors of the economy. This applies above all to the construction of enterprises working on national natural resources, and also assistance aimed to develop industry and increase agricultural production. The long-term credits made available for these purposes to developing countries by the CMEA countries now totals more than 11 billion rubles.

There has also been broad development of cooperation in scientific research and assistance in training personnel. Only in the current five-year period the CMEA countries have helped developing states to build 22 higher schools, 25 secondary schools, and 117 centers for training specialists in various fields; over 25,000 students from developing countries are trained in the CMEA countries, including 14,000 in the USSR. The extension of economic ties is important in setting up mixed companies and enterprises with the participation of CMEA countries and developing countries.

The socialist-community countries' attitude to the developing countries is fundamentally different from that of the imperialist pow-

ers. It is true that the latter loudly advertise the aid they have given to these countries, i.e., their former colonies, whose economy has remained undeveloped and living standards extremely low. However, it was the imperialist powers who used to plunder these countries, withdraw their raw materials and extract tremendous profits through savage exploitation of their people. Today, their aid is designed above all to maintain their profits and continue to extract the resources which by rights belong to the peoples of the developing countries. The CMEA states' assistance is totally different: it helps the developing countries to overcome the legacy of colonialism, to escape from imperialist exploitation and to dispose independently of their national resources.

The results of the CMEA's 30-year activity aimed to develop the economic potential of the whole community and of each of its members show the exceptional role of their deepening economic cooperation. Of tremendous importance for further advancing this process is the constant concern displayed by the communist and workers' parties of the CMEA countries for improving the forms of economic cooperation on the basis of a creative application of the principles of Marxism-Leninism and socialist internationalism. The relevant matters are among the items discussed at meetings of General (First) Secretaries of the socialist countries' fraternal parties. At their meeting in the Crimea on July 20, 1978, Gustav Husak and Leonid Brezhnev emphasized the importance of tying in the Soviet-Czechoslovak program for specialization and cooperation of production, now being worked out until 1990, with the long-term goal-oriented programs of cooperation approved by the CMEA's 32nd session. Such meetings provide an impetus in deepening the coordination and specialization of production for the more efficient development of the economy in each of the cooperating countries and of the socialist community as a whole.

The purposeful activity for all-round development of the socialist countries' economies and provision of sources for further raising the people's living standards is organic to the policy of peaceful coexistence and international cooperation pursued by the Soviet Union and other socialist countries. In their foreign policy, the socialist-community countries have consistently practised Lenin's principles of peace. Socialism and peace are indivisible. The CMEA countries actively support the international détente, multiplying their efforts to develop peaceful coopertion in the spirit of the Final Act of the Helsinki Conference on Security and Cooperation in Europe.

A monster fed by imperialism

1978 AN INTERNATIONAL YEAR AGAINST APARTHEID

The historic UN resolution against apartheid reflects the mounting pressure of worldwide opposition to the power and terrorism of the South African racists and is designed to step up international efforts to bring about the effective isolation of the reactionary regime in South Africa and to stimulate and support the anti-racist movement developing there. Dozens of countries and governments, political and social movements, forces of the most diverse orientation, are today taking part in the campaign against apartheid.

The international communist and working-class movement is in the forefront of the battle against the racist evil. On the following pages, representatives of the communist parties of Canada, the FRG, Venezuela and South Africa analyze the problems on the basis of the latest facts, expose the new maneuvers by imperialism to underpin the regime in South Africa, and note the successes of the progressive forces in the anti-racist struggle.

Peter Boychuck
Alternate member, CEC, CC, Communist Party of Canada

One of the decisive factors that keeps the race-hatred regime in South Africa alive is its close interconnection with international monopoly capital. The giant imperialist corporations are determined to maintain the status quo because it brings enormous profits. 'We have been there for more than 50 years and intend to stay there a very long time,' declares a spokesman for General Motors, which makes millions out of selling cars to South Africa. International capital has been supplying enormous funds to stabilize the racist regime's economy and boost its military potential. The $2.2 billion the regime received in the form of loans from American banks and their branches abroad in 1976, for example, was just about what it needed that year to finance its defense industry and oil imports. Dozens of interviews with American businessmen have shown that most of them continue to regard South Africa as a good market for selling their own goods and for buying raw materials. No wonder the U.S., Britain and other imperialist states deliberately sabotage sanctions against the apart-

heid regime and are now even trying to abolish similar measures against Rhodesia.

To damp down the mighty wave of anti-racist protest that is sweeping the world, imperialist circles are trying to impose neo-colonialist solutions in Rhodesia and Namibia. Far from giving up their racist bastion the imperialists are doing all they can to turn it into a powerful base and strike force aimed against the national-liberation revolutions, and against already established African states which follow a progressive social policy.

The Western monopolies not only provide props for the South African and Rhodesian regimes. They are direct accomplices in the practice of apartheid, in the racist exploitation of the native population. Take just one aspect: the inequality (blatantly racial!) in the wages paid to Black and white workers. In 1972-73 the total wage bill paid to white workers in the South African motor industry, represented by such companies as Ford (U.S.), Leyland (Britain) and Volkswagen (FRG), came to R161 million. The total paid to Black workers was R58 million. Yet the white workers make up no more than one quarter of the total workforce. At present the average wage of white workers in manufacturing as a whole is roughly five times higher than that of Africans.

The international monopolies do their best to disguise the racist nature of exploitation. Blacks are even 'entrusted' with skilled work which used to be the exclusive privilege of whites. In some firms there are no whites on the factory floor. But Blacks continue to be paid semi-skilled wages. To cover this up, the African worker's job is called by a different name. As international pressure against the economic links with South Africa is stepped up, we will find the big companies becoming extremely clever at disguising such realities.

It is true that imperialist circles are finding it more and more difficult to mask the link between racism and international capital. In the imperialist states the movement against racism in any form, particularly the blantantly anti-human kind practised in South Africa, is gaining momentum. It is supported by communists and other progressive forces of the labor movement, religious people and atheists, representatives of diverse sections of society. The protest against apartheid expresses itself in the voluntary boycotting of South African exports and in pressure on government to make it mandatory. Church bodies and universities in Canada have threatened to, and in certain instances did, pull out their deposits and shares from banks and companies which refused to withdraw their loans and investments from South Africa. The pressure was sufficient for the Canadian government to announce it would no longer encourage trade with

South Africa. Subsidies for Canadian investors in South Africa were discontinued and commercial consuls withdrawn.

However, these measures had no effect on Canadian investments in South Africa, direct or indirect. The profits on investments in South Africa are so great that the loss of government subsidies does not discourage Canadian investors. In other words, the government stopped before it had gone even half way, which is very typical of the policy followed by the government of any developed capitalist country when it comes to enforcing a real boycott of the racist regime. Total foreign investment in South Africa today amounts to $10 billion! Between 1974 and 1976 its annual share of foreign capital was 18 per cent, compared with the 11.7 per cent of postwar years. Nor are the 1,000 American and European firms operating in South Africa showing any signs of eagerness to get out en masse, although some of them have curtailed business in fear of revolutionary changes. The alliance between racists and international monopoly capital remains unshaken.

Georg Kwiatowski
WMR representative, German Communist Party

For several decades now the big firms in the FRG and their spokesmen in the Bundestag parties and the Bonn government have been giving extensive support to the apartheid regime. The apartheid state is second only to Nigeria among West Germany's trading partners in Africa. More than 400 sister companies and branches of FRG concerns are operating in South Africa and the territory of Namibia which it has occupied. In 1976-77 FRG investments increased from 4 to 6 billion marks. In the same period the federal government's guarantees on exports to South Africa and on investments there grew from DM 0.8 billion to DM 3.8 billion.

Military collaboration between the Pretoria regime and the FRG gives particular cause for alarm. The pioneer work in this field was done by Franz-Josef Strauss, who as defense minister (in the early 60s) concluded a secret military agreement with Pretoria. Since then South Africa has regularly received from FRG ruling circles war materials, equipment, and technical information on the design of modern weapons. All these years France has also been pumping similar supplies into South Africa: between 1967 and 1975 alone it sold an annual billion francs' worth of war materials there, not to mention licences for the production of armaments. International imperialism is to blame for the fact that the racist armories are today piled high with lethal weaponry.

In attempts to whitewash their dubious role as stand-ins for the racists, Western ruling circles demagogically allege that their exports

to South Africa are non-military. The factories of Western firms operating in South Africa are supposed to be producing only non-military goods. The West German Baier-Leverkusen chemical company, for instance, and the Höhst factories appear to be producing quite harmless articles such as pesticides. But the experts are of a different opinion. It would take only a few hours, they say, for these factories to switch over to production of poison gases. And 'peaceful' would be quite the wrong description for the electronic reconnaissance outfit that AEG-Telefunken helped to build near Simonstown for tracking the movements of ships and aircraft. It has a range covering the whole of Africa and the oceans from the shores of Latin America to Bangladesh. Last July, representatives of the anti-apartheid movement in the FRG announced that they had compiled a list of 88 west German firms which, besides their direct deliveries of ordinary military equipment to South Africa, also use their branches there to feed in 'indirect supplies for building up the South African military potential.'

The most menacing aspect of collaboration between the West German monopolies and the Pretoria racists is the military nuclear. At the end of 1977 the anti-apartheid movement published a document called 'The Western Atomic Shield for Apartheid.' This document cites, among others, the following facts: Siemens, Messerschmitt-Bölkow-Blom, Gutehofnungshütte and other firms delivered vital sets of equipment for the uranium enrichment plant that is being built under top-secret conditions 140 km east of Johannesburg. The Munich firm of Steigerwald has supplied South Africa with the equipment for producing the components needed for the uranium enrichment process, which until recently had to be imported. So the West German concerns and the Bonn government are giving the apartheid regime increasing opportunities for taking a short cut to the manufacture of its own nuclear weapons.

The democratic forces of many countries and world public opinion in general want to ban military-nuclear collaboration with the South African racists and insist on strict observance of the UN resolutions against apartheid. The FRG anti-apartheid movement has called for a congress against collaboration in this field between Bonn and Pretoria. The anti-imperialist forces in the FRG not only denounce the connections between the South African racists and the West German monopolies. They also fight the lies spread by the bourgeois press about the national-liberation movements in South Africa, Namibia and Zimbabwe and help the African National Congress, SWAPO and the Patriotic Front to develop their struggle. A movement known as 'one hour's pay for the ANC' is active in the FRG. It collects funds for a school the ANC is building for children of South African re-

fugees in Morogoro (Tanzania). The German Communist Party is firmly on the side of the African peoples. It demands of the FRG government immediate withdrawal of all support for the South African regime. It exposes the maneuvers of imperialism, which is today trying to bolster its pro-racist policy with wider support from certain reactionary regimes in Asia, Africa, and Latin America.

Jeronimo Carrera
CC member, Communist Party of Venezuela

The struggle against racism and apartheid has acquired a new relevance in Latin America since a number of the reactionary regimes there demonstrated their eagerness to establish close ties with the racist governments in southern Africa, particularly the Republic of South Africa.

All attempts at alliance with such governments are bound to encounter resistance from the revolutionary forces of our continent, from all patriots and democrats. Not only the communist parties of the Latin American countries, but also the millions of the working people fully support the Africans' struggle against the racist evil.

Why are anti-racist feelings and anger against apartheid so strong today in Latin America?

Primarily because apartheid and racism in southern Africa are regarded by many democratic-minded people as a survival of the institution of slavery, or what one might call a form of slavery, adapted to modern conditions. Broad sections of the population of various Latin American countries are well aware of what slavery means from their own history. They know not only from books; even today they themselves constantly encounter the aftermath of slavery because this evil has still not been completely eradicated.

The struggle to eradicate all survivals of slavery still has very topical implications. The immediate aim is genuine equality for persons of African origin.

The campaign against racism and apartheid in Latin America is encouraged by the fact that many tens of millions of the people living there are of African origin. According to some calculations, probably 20 million Africans were shipped to the American continent in the 17th, 18th and the beginning of the 19th centuries. This, of course, was bound to have a negative effect on the subsequent economic, social and cultural development of Africa, whose tragic historical fate rouses the emotions of many people in both parts of America to this day. The burning issues facing the African peoples are close and comprehensible to them. It is significant that the only reactionary Latin American regimes to cultivate friendship with the South African racists are those that have practically no people of African origin,

such as Chile, Paraguay, Bolivia, Uruguay. Where there is a considerable layer of people of African origin, the dictatorships are cautious about making contact with the governments of South Africa and Rhodesia. It is difficult to imagine, for example, that the reactionary government of Brazil could throw itself into an alliance with them. Brazil has 25 million blacks and a significant majority of the population are in some degree ethnically linked with Africa. It is no accident that the Brazilian regime felt compelled quickly to recognize Angola, Mozambique, and other young states of the African continent, while not, of course, forgetting its own economic interests.

Finally I should like to emphasize yet another factor: the traditions of the national-liberation struggle uniting the Latin American and African peoples, in which, incidentally, in such countries as Cuba, the Dominican Republic, Puerto Rico, Venezuela, and Panama, people of African origin have played an outstanding role. At first this was a struggle against Spanish domination, then against U.S. imperialism. In recent decades the communists in the Latin American countries have been striving to rally working people of various ethnic origins around the twin class aims of overthrowing the exploiters and abolishing imperialist domination.

Today a considerable majority of the population of the American continent oppose apartheid and racism and demonstrate their solidarity with their African brothers. Our Cuban comrades' contribution to this struggle has been widely acknowledged. There are also some Latin American governments which, although not anti-imperialist, take the right attitude toward apartheid and condemn the South African regime. One of these is the government of Venezuela, and this example is by no means the only one. We believe that when southern Africa frees itself of apartheid, of all forms of discrimination and racism, the ties between its peoples and the peoples of Latin America will become an inseparable part of their lives.

John Nkosi
South African Communist Party

The worldwide campaign against apartheid is a powerful and inspiring stimulus for the Black people of our country. It helps a lot to step up the anti-racist, liberation battle. In the past two years our struggle has gained new scope, and clashes are constantly occurring in various parts of South Africa between the repressive organs and the people. Even the enemy has been compelled to acknowledge the active role in the organization of anti-racist actions played by the African National Congress and its military arm 'Umkonto Ve Sizwe.' In the past 18 months there have been scores of such armed actions and acts of sabotage. A number of traitors, who had become agents of the secret

police and were informing on our comardes, have been liquidated. Admittedly, the authorities sometimes get on the trail of our underground workers and even discover secret stocks of arms. Communists and members of the ANC are then arrested and sentenced to long terms of imprisonment. But this is only one side. These facts also show how much bigger the scale of resistance to racism has become in recent years. It has now entered a new phase. Monstrous fascist terror, murder through torture, throwing people out of the windows of tall prison buildings have not broken the will of the revolutionaries. A good many of those who have been through all the 'circles of hell' in the notorious dungeons of Robben Island have come back after serving long prison terms to resume the struggle against apartheid and colonialism.

The people's fighting spirit has never been higher. Today even moderate Africans who have been persecuted are coming to realize that the racist regime cannot be changed by reforms, that South Africa's race problems cannot be solved on capitalist lines. Young people are disillusioned with the system of free enterprise and have more and more to say about socialism. The changes in the popular mood, and particularly the unprecedented scale of the revolutionary ferment, strike fear into the hearts of the racists and their imperialist protectors.

Scared by the sweep of the liberation campaign and the growing role in it of the progressive African countries, particularly South Africa's neighbors, the monster of apartheid is maneuvering and trying to hide its bestial racist snarl. The so-called white 'liberals' of the Harry Oppenheimer type, head of the Anglo-American Corporation, the biggest South African monopoly, also try to spread various illusions about the possibility of reform within the framework of the existing regime. Oppenheimer, for example, has often recommended 'coming to terms' with Black businessmen, trying to make them a part of an 'integral' economy which would nevertheless be run by whites. All this demagogy is only grist to the mill of the hardcore racists, particularly the ruling clique.

New facts are always coming up to prove that the racist regime will never change of its own accord. Take, for example, the law recently passed by Parliament declaring unemployed Africans to be nothing but common criminals. For the 'crime' of unemployment people will now be sent to forced labor in the rural areas, to special settlements in the bantustans.

For us in South Africa it is very important that the progressive and democratic forces should isolate the South African regime internationally, in all spheres — economic, political, military, social, cultural, and sport. Action in this direction is undoubtedly having an

effect. But there is also the obvious fact that the protectors of racism in the capitalist world, particularly imperialism and the international monopolies, are looking for loopholes to weaken the spreading boycott of South Africa.

The efforts of progressive people in many countries to expose the bantustan policy are also of great importance to the Black people of South Africa. To recognize even one bantustan, whether it be Transkei or Bophuthatswana, is tantamount to accepting the apartheid system itself.

The international campaign against the racist terror is deeply appreciated in our country. This campaign is mounting in the socialist, capitalist and the developing countries. World opinion and the international communist movement have called for the freeing of all political prisoners in South Africa and for the overthrow of the racist regime.

We, in South Africa, clearly realize that our struggle will go on scoring successes if the country's revolutionary liberation forces rely on the all-round support of the socialist community, particularly that great friend of the African peoples, the Soviet Union.

Plot against peace in the Middle East

Emile Habibi
PB member, CC CP of Israel
Naim Ashhab
PB member, CC Jordanian CP

On September 18, U.S. President Carter, Israeli Prime Minister Begin and Egyptian President Sadat signed in Camp David documents on 'the establishment of peace' in the Middle East. The capitulatory character (on the part of the Sadat regime) of these documents, written under Washington's dictation, was so obvious, and aroused so much anger among the Arab masses, that even such reactionary regimes as in Saudi Arabia, Jordan, Kuwait and Qatar did not dare to publicly support them. Egypt's Foreign Minister, Mohammed Ibrahim Kamel, who took part in the Camp David talks, resigned in protest. Commenting on the agreements, one U.S. Senator remarked, with good reason, that Begin had won everything and Sadat had lost everything at Camp David.[1] Faced with sharp criticism of the Camp David documents, their authors found themselves obliged to admit

that the basic problems of the Middle East crisis remain unsolved.

These deeply unjust, even provocationary, agreements can be imposed on the Arabs only by force. As our parties have emphasized, all peace-loving forces should see these agreements as a step to a new aggressive war, as detrimental to the interests of the Middle East peoples, including the people of Israel, and to universal peace.

What, essentially, are the accords reached at Camp David?

They are set out in two documents: 'A Framework for Peace in the Middle East' and 'A Framework for the Conclusion of a Peace Treaty between Egypt and Israel.' The three parties also exchanged letters setting out their respective positions on certain unagreed issues.

The first document, 'A Framework for Peace in the Middle East,' can be described as an imperialist attempt to achieve the following aims:

— *Torpedo the UN decisions defining the method and basis for a Middle East settlement and replace the mechanism of the Geneva Conference, co-chaired by the USSR and USA and involving equal participation of all the parties concerned, including representatives of the Arab people of Palestine, by separate negotiations under U.S. imperialist aegis between Israel and each Arab country.*

True, the document says that 'the agreed basis for a peaceful settlement of the conflict between Israel and its neighbors is United Nations Security Council resolution 242 in all its parts.' But the clauses on continued Israeli occupation of part of the Egyptian Sinai Peninsula for three years and of the West Bank and the Gaza Strip for at least five years; on negotiations with the government of Jordan (if it consents) on the division of occupied territory, and also the Israeli rulers' adamant refusal to abandon the annexation of the occupied Arab part of Jerusalem, and many other clauses indicate that the parties to this document have jettisoned the resolution 242 principle on the inadmissibility of territorial acquisitions through the use of force; in other words, on an Israel withdrawal from all lands occupied in the 1967 aggression.

— *Provide a semblance of 'legitimacy' to the Israeli occupation of Arab territories, specifically the West Bank, including the Arab part of Jerusalem, and the Gaza Strip.*

That is the purpose of the provision for a five-year 'transitional period' in the West Bank and the Gaza Strip, to begin after the establishment of an 'autonomous administration' in these areas. Speaking on Israeli television, Foreign Minister Dayan explained that the transitional period could continue indefinitely 'if there was a conflict over the settlements or on other issues.'[2] In addition the agreements envisage that Israeli troops will remain at specified locations in the West Bank and the Gaza Strip for an indefinite time.

Furthermore, Israel will continue to build settlements in these territories. Begin has officially announced that he agreed not to start new settlements only for a three-month period and only in specified areas.

As for the Arab part of Jerusalem occupied in 1967, the question was not even discussed at Camp David, Sadat confined himself in a letter to Carter, to the statement that 'Arab Jerusalem should be under Arab sovereignty.'

It should be noted that the document 'legitimizes' also Israeli occupation of Syrian territory, the Golan Heights.

The preamble to the document contains an appeal for future negotiations on 'peace and security' between Israel and any neighboring state prepared to engage in such negotiations. This means that the signatory countries have agreed to continued Israeli occupation of Arab, including Syrian, territory until each Arab country consents to negotiate separately with the Israeli rulers on the latter's terms, which would compel the victims of aggression to give up their national independence.

— Prevent the Arab people of Palestine from realizing their just and legitimate rights, annul the relevant UN decisions, and deal a heavy blow to the very national existence of this people.

The signatories to the document thus accepted Begin's 'solution,' which is based on ignoring the existence of the Arab people of Palestine, its legitimate rights and its representatives, the Palestine Liberation Organization, recognized in the Arab world and internationally, and on continued Israeli occupation of its land in one form or another. The document provides for 'autonomy' for the people of the West Bank and the Gaza Strip, but with the presence of occupation troops. Moreover, the form and authority of the 'autonomous administration' to be formed through 'free' (?!) elections will, of course, be decided by the Israeli occupation authorities (with the participation of government emissaries from Egypt and Jordan, if the latter consents). At the end of the transitional period Israel and Jordan are expected to negotiate their final boundaries on the West Bank, which obviously means recarving them. For, as Israel's Foreign Minister has plainly said: 'There can be no creating of a Palestinian state.' Solution of the Palestinian refugees' problem is thus factually left to the discretion of the Israeli rulers, in defiance of the UN resolutions affirming their right to return home.

— Continue attempts to bring other Arab states into separate negotiations with Israel.

The Camp David document is couched in terms designed not only to widen divisions in the Arab ranks and undermine the unity of the Palestinian patriotic movement, but also to entice certain Palestinian strata and elements into the trap prepared for them by Carter and

Sadat. At present the plot is spearheaded against the Arab people of Palestine and the unity of its ranks. The clause dealing with the West Bank and the Gaza Strip provides for negotiations between Egypt, Israel and Jordan on 'modalities for establishing the self-governing authority.' The clause also says that 'the delegations of Egypt and Jordan may include Palestinians from the West Bank and Gaza or other Palestinians as mutually agreed ...' In this way, the Israeli rulers, imperialism and reaction, in their attempts to set Palestinians against each other, are throwing out 'bait' to catch certain right-opportunist Palestinian elements.

The other document, 'Framework for the Conclusion of a Peace Treaty between Egypt and Israel,' deals with the timetable for the withdrawal of Israeli troops to the border with Egypt (phased Israeli withdrawal is to begin within three-nine months after signing of the peace treaty and final withdrawal is to be within two-three years). The initial step will be the signing, within three months, of a peace treaty envisaging establishment of diplomatic, economic, trade and other relations between the two countries. Upon this will depend further measures: liquidation of the Israeli settlements in the Sinai and Sharm el Sheikh; transfer to Egypt of two Israeli military airfields in the Sinai, and their use exclusively for civilian purposes; the establishment of partially or wholly demilitarized zones manned by international forces (and possible establishment of U.S.-controlled surveillance stations); laying a road to link the Sinai with Jordan, for use by the Israelis.

The sinister nature of these plans was exposed by the Egyptian Communist Party in a statement issued on September 20, 1978. The Camp David deal, it said, is 'above all the betrayal of Egypt, and also a betrayal of the interests of the Palestinians and Arabs;' Israel's 'withdrawal' from the Sinai 'will not place the Sinai under Egyptian sovereignty.' By signing the Camp David accords, Sadat renounced not only the just national rights of the Arab people of Palestine, but also Egypt's right to exercise full sovereignty over its territory. The Egyptian President does not deny his intention to conclude a separate peace with Israel. This is confirmed by the tripartite talks in Washington, in progress at this writing, for a peace treaty to be signed as soon as possible.

More, the Camp David accords open the road to U.S. occupation of Egyptian territory and the organization of U.S. military bases both in Egypt and Israel. According to U.S. Senator Frank Church, Begin informed the Senators that with Israel's consent the U.S. could build a military base in Haifa, and with Egypt's consent a similar base in the Sinai.[3] A statement by the Jordanian Communist Party (September 1978) stressed the special danger of stronger U.S. imperialist in-

fluence in the Middle East as a result of the Camp David deal. The accords signed there fit in with U.S. imperialist designs to build up an Israeli-Egyptian bloc (open to all other reactionary regimes of the region), and directed against the peoples of our area and of Africa, and against the USSR and other socialist countries.

As for the exchange of letters between the Camp David negotiators, they contain the following points (in addition to those already mentioned).

(1) Begin's commitment to bring the question of evacuating the Israeli settlements from the Sinai before the Knesset (whose approval has since been secured).

(2) Formulation of the Israeli and Egyptian positions on the status of Jerusalem. Israel insists on a 'united Jerusalem' as the 'capital of the State of Israel for all time.' Egypt has confined itself to reaffirming the national rights of the Arabs in Jerusalem and agreed that, administratively, it should remain a united city.

(3) Egypt's statement on its readiness, 'on behalf of the Arabs and Palestinians.' to engage in separate negotiations with Israel on the status of the West Bank and Gaza.

(4) The Israeli explanation that the term 'Palestinians' refers only to the population of the West Bank and Gaza, and the West Bank itself is consistently referred to as 'Judea and Samaria.'

Though the Camp David formulations are open to contradictory interpretations, our peoples were quick to realize that they will not produce peace. Over the past 30 years, imperialism, and particularly U.S. imperialism, has blocked every avenue to peace in our region, and has worked to maintain in the Middle East a smouldering seat of war that would flare up whenever it suited the imperialists. For many years there has been a bleeding wound in the heart of the Arab world and it has brought suffering to the Israeli people too. The Camp David agreements, in the opinion of our parties, continue and activize this dangerous imperialist policy and represent a fresh attempt to reverse détente and hurl the world back to the cold war and local hot wars. A resolution of the Communist Party of Israel Central Committee declares: 'Ever since the founding of the State of Israel, our Communist Party has emphasized that the Israeli-Arab conflict cannot be adjusted under imperialist supervision. . . .Not with imperialism against the Arab peoples, but with the Arab peoples against imperialism, for freedom for Israel and for the Arab peoples, for peace and security in the region — only that policy accords with the supreme interests of the Israeli people.'

As for the role of President Carter in working out the Camp David deal, it will be recalled that his administration had arranged the capitulatory negotiations which the President of Eygpt began with the

Israeli rulers in November 1977, and which were preceded by the separate Sinai agreements. The U.S. government did this to evade fulfilling its commitments under the Soviet-American declaration of October 1977. It opened the prospect of reconvening the Geneva Peace Conference toward the end of last year, which would make for real progress toward a just and universal settlement in the Middle East.

The monstrous injustice and aggressive character of this triple Camp David compact have aroused a storm of indignation among the Arab masses. It has been unanimously rejected by the Arab people of Palestine. A conference in the Arab part of Jerusalem of public leaders and the mayors of all the West Bank towns unanimously rejected the Camp David deal.

The answer to the Camp David deal has been to broaden and strengthen unity of all the Arab forces fighting imperialism and aggression and form closer relations with the socialist-community countries. This is evidenced by the decisions adopted at the September summit meeting in the Syrian capital of the heads of states belonging to the Front for Steadfastness and Confrontation.

The Jordanian Communist Party statement stresses the need to strengthen support for the Front and resolutely combat all plans of imperialism, Zionism and their agents. To release the energy of the Arab masses, it is likewise necessary to put an end to all restrictions, all attempts at stifling the general democratic freedoms by the authorities, and to the despotic methods of government.

In a statement on the Camp David agreements, the Iraqi Communist Party Central Committee says that 'conclusion of this deal by Sadat with the covert and overt support of Arab reaction confirms the obvious and fundamental truth ... that there is a definite interconnection between this treasonous policy and the class character of the Arab forces and regimes that have helped to make it a reality.' These agreements are the natural outcome of the whole socio-economic policy of the Sadat regime in the past few years. For only with the encouragement of the imperialist and reactionary forces would Sadat have ventured to trample on the decisions of Arab summit meetings calling for support of the Palestinian Arabs' right to self-determination, the founding of their own independent state and the right to select their own leaders and lawful representatives in the Palestine Liberation Organization.

In the present situation, the Arab people of Palestine must — and can — mobilize all their revolutionary energy, close their ranks in unbreakable unity with the progressive Arab countries and the natural allies of the national-liberation movement, above all the Soviet Union. This is necessary in order to avoid hasty, rash actions stem-

ming from unrealistic, extremist attitudes, to which they might be impelled by the treacherous stab in the back administered by Arab, and primarily Egyptian, reaction. It is necessary steadily to pursue the sacred struggle for the full re-establishment of their lawful national rights and the achievement of a just peace, which, as the record of more than 30 years has shown, is impossible without a just solution of the Palestine problem.

The imperialists and the Israeli rulers apparently believe that Camp David has given them greater freedom to suppress the Arab national-liberation movement. That is evidenced, in particular, by the continued aggravation of the situation in Lebanon. 'There should be no doubt,' the Syrian Communist Party emphasizes, 'that imperialism, Israel and also Sadat, will take immediate action to build up more tension in this fraternal country in order to pressure Syria and the Palestinian Resistance and thus prevent them from increasing their contribution to frustrating imperialist and Zionist plans. The answer to such intrigue must be closer alliance between Syria and the Palestinian Resistance, on the one hand, and with the national Lebanese movement, on the other.'

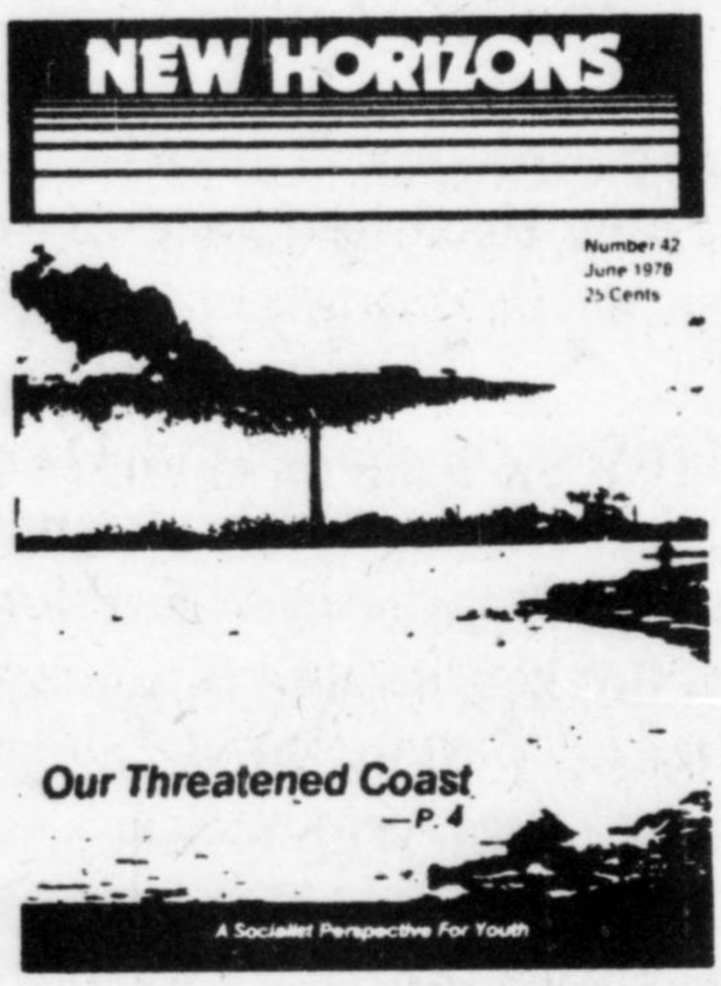
The menace of fresh aggression has become more pronounced not only in our region. The ruling circles of Egypt make no secret of their desire to outdo the Israeli rulers in combating revolutionary changes in Africa and in the south of the Arabian Peninsula, especially in Democratic Yemen.

We are fully alive to these dangers. Our people are confident that they will defeat the conspiracy, for they know that the peace-loving forces led by the Soviet Union and other socialist-community countries are vigilant. The whole world followed with close attention Leonid Brezhnev's speech in Baku. Referring to the Camp David talks and the Middle East crisis, he said: '. . . All attempts to ignore the basic prerequisites of a valid solution to the Middle East problem, to rule out or circumvent one or another of the legitimate participants in the settlement, to sacrifice their interests, to dictate conditions to them can produce nothing but the illusion of a settlement. . . . Long years of experience have irrefutably proved that there is only one way of achieving a valid solution to the Middle East conflict. And that is the complete liberation of all Arab lands occupied by Israel in 1967, complete and unambiguous respect for the legitimate rights of the Arab people of Palestine, including the right to set up their own independent state, and ensuring reliable, guaranteed security for all the countries of the region, including, of course, Israel. Such an all-embracing settlement is possible only with the participation of all interested parties, including the Palestine Liberation Organization.'[4] The Geneva Peace Conference retains all its importance as an inter-

national mechanism specially designed to achieve peace in the Middle East, as the recent Soviet-Syrian communiqué emphasizes.

The dangers generated by imperialism and reaction in the Middle East are serious. Our parties therefore appeal to all the patriotic forces conscious of their responsibility to overcome non-essential differences, close their ranks and achieve maximum unity in the fight for a universal and just peace for all the peoples and states of our region without exception. Faced with the threat that Israel, supported by U.S. imperialism, might unleash new aggressive wars, it is imperiative to mobilize the forces of our peoples for the only effective and just alternative to the policy of imperialist plunder, Israeli aggression and Arab reactionary betrayal.

1. *International Herald Tribune,* September 23-24, 1978.
2. *Ha'aretz,* September 19, 1978.
3. *Ha'aretz,* September 20, 1978.
4. *Pravda,* September 23, 1978.



NEW HORIZONS MAGAZINE

A bi-monthly magazine of feature articles, news, analysis, Marxist education, book, TV & movie reviews, popular science, and much more. A youth magazine with a socialist perspective.

Only $3.00 for twelve issues

(Institutional rate $5 for ten issues)

NEW HORIZONS, 24 CECIL ST.
TORONTO, ONTARIO M5T 1N2



Lessons of the recent past

Ezekias Papaioannou
General Secretary
Progressive Party of the
Working People of Cyprus (AKEL)

Imperialism is again stepping up its conspiracy against Cyprus to complete the crime initiated by the events of mid-1974.* Pulling the strings of this conspiracy is the CIA. The West German circles of NATO, for their part, are evidently carrying on intensive subversion in the Eastern Mediterranean to strengthen the positions of reaction in Turkey, Israel and Egypt. Reaction does not shrink from frankly fascist and terrorist methods. A tape recording left in the offices of a Nicosia bourgeois newspaper by outlaws has revealed the formation of 'suicide brigades' of fanatical terrorists in the service of extreme reaction.

The new conspiracy against Cyprus was uncovered by our party in November 1977. In July 1978, the President of The Republic, Spyros Kyprianou, stated that he would take steps to foil it.

Nevertheless, Cyprus remains a target of imperialist intrigue. The roots of the conspiracy go back to the time when Cyprus was declared independent (1960). In 1962, a counsellor of the U.S. Embassy publicly told the AKEL General Secretary that 'as long as there is the U.S., it will not allow AKEL to assume office in Cyprus.' This scandalous incident, which occurred in the lobby of the Cyprus parliament, was anything but fortuitous. Indeed, it was in those years that imperialism began its unceasing interference in the internal affairs of the Republic of Cyprus. The notorious Acheson Plan (1964) envisaged partitioning the island, and its preamble stressed that this 'presupposed the annihilation of President Makarios and AKEL.'

The imperialists have never resigned themselves to the existence of an independent, sovereign, integral and non-aligned Cyprus, with the party of the working class, AKEL, enjoying wide influence among the people. They are irritated because a small people has been able to thwart the NATO plan to dismember Cyprus, thus opening a gap in the southeastern flank of NATO. Tens of millions of dollars are

*See Ezekias Papaioannou, 'For a sovereign and united Cyprus,' in *WMR*, March 1975.

allocated for reactionary plots. In 1973-74 alone, $60m. was spent on anti-communist activity in our country — a fact disclosed by Hefner, a ranking CIA official. Imperialism used its junta agents in Greece and Cyprus to stage the treacherous coup of July 15, 1974, and the Ankara chauvinists and reactionaries to stage the invasion of July 20.

What were the imperialists and their agents after? The only answer is that they wanted to liquidate the state of Cyprus, partition it between Turkey and Greece, strengthen the southeastern flank of NATO and turn the island into a powerful bridgehead of imperialism.

Four and a half years have passed since the Turkish invasion which cost our long-suffering people so much in blood and tears, in material and moral losses. The UN Security Council and General Assembly have repeatedly discussed the Cyprus question. The resolutions call for the immediate withdrawal of foreign troops from Cyprus, respect for its independence, sovereignty and territorial integrity, the safe return of all refugees to their homes, the restitution of their property, and a solution of the Cyprus problem through intercommunal negotiations under the auspices of the UN Secretary-General. Yet, far from carrying out a single provision of all these resolutions, Turkey continues to bring settlers to the occupied part of the island so as to alter the demograhic composition of the population.

The people of Cyprus are not hostile to the Turkish people; they are against imperialism. But they cannot ignore the fact that the Ankara chauvinists have a hand in imperialism's game although they try to mislead the world by false slogans and statements.

The Cyprus question is not the result of discord between the Greek Cypriots and Turkish Cypriots. It is an outgrowth of the contradiction between Cyprus and imperialism, between Cyprus and Turkish occupation, a result of foreign invasion and the seizure of 40 per cent of the country's territory. As far as we are concerned, it is a question of the independence, sovereignty and territorial integrity of our homeland.

The Turkish authorities that have sent troops to Cyprus are not concerned with the conditions of the Turkish Cypriots. Yet their conditions are appalling. Driven into areas occupied by Turkish troops, they are subjected to the most ruthless exploitation and oppression. They suffer from three-fold oppression and humiliation at the hands of the Turkish occupation force, settlers from Turkey and the Turkish Cypriot terroristic organization, TMT. Their living standard is only one-third of what it was before the Turkish invasion and their resettlement in occupied areas. In other words, it is not only Greek Cypriots, but Turkish Cypriots as well who, due to these tragic events, have been robbed of their homes and have become refugees in their own country, oppressed and exploited by the invaders with the utmost brutality.

It follows that the struggle of the Cypriot people is a struggle of the whole of Cyprus for independence, sovereignty and territorial integrity, for the withdrawal of Turkish and all other foreign troops, for the return of the refugees to their homes and the restitution of their property, investigation of the fate of the missing, and solution of the constitutional aspect of the Cyprus problem through intercommunal talks for the good of all Cypriots — Greeks, Turks, Armenians and Maronites. As for the Turkish Cypriots, they must continue to hold a place in this struggle, for their vital interests are inseparable from those of the Greek Cypriots, of the whole population of the island.

The 14th Congress of AKEL (May 1978) reaffirmed the party's fundamental attitude to all these issues and demonstrated its will and resolve to fight for the materialization of the Cypriots' aspirations, against imperialist conspiracy and subversion.

The Congress made a point of analyzing the period preceding the coup, its lessons and the factors that could have ensured the defeat of the fascist junta rising. Our party had not only predicted it, but had proposed specific measures to the government to prevent or defeat the coup.

Just a few days before the events, the CC Political Bureau of AKEL gave warning against the imperialist conspiracy against Cyprus and indicated its direct organizers and executors — the Athens military dictatorship and the Greek Cypriot terrorist organization, EOKA 2.

Years before, AKEL had proposed to the government to use all the forces of the party to assure the triumph of democracy and national independence. The communists urged the government to rid the security agencies and the state machinery of everyone active in EOKA 2's criminal subversion, and carefully plan measures for the defeat of an eventual rising. But in spite of AKEL's repeated warnings and earnest calls for steps to avert the impending coup, the government failed to do what it should have done long before. As a result, the coup did take place; moreover, it was accomplished in daylight and in a relatively short time.

Assessing the events that preceded the coup and the Turkish invasion, the 15th Congress noted that serious mistakes had been made. These were exploited by the imperialists and their agents, who proceeded to put their criminal plans into practice.

The first serious mistake consisted in infringing the policy of an independent Cypriot state. The *enosis* policy was revived, accompanied by a terroristic revolt against Makarios. Actually it was all a carefully planned imperialist conspiracy to bring about a double *enosis*, that is, to partition Cyprus. Statesmen and politicians, finding themselves under the pressure of an intensive campaign for *enosis*,

and having to operate in an atmosphere of reactionary terror, went beyond the limits of what is possible. They underrated the damage they were causing thereby and contributed, unwittingly, to imperialist plans for the dismemberment of Cyprus and the abolition of its independence.

A second serious mistake was to staff the National Guard with officers from Greece. The Cyprus government had, in effect, failed to screen these, even after the military junta had taken over in Greece. Hence the erosion of the National Guard and the transformation of junta officers into virtual overlords of Cyprus. These same officers betrayed our National Guardsmen, leaving them defenseless in the face of the Turkish invasion.

A third serious mistake was the policy of tolerance toward EOKA 2 and its criminal subversion, toward the reactionary underground generally. The manner in which EOKA 2 criminals were arrested, jailed and soon set free, encouraged the members of that terrorist organization and facilitated its activity.

A fourth essential mistake was the underestimation of the threat of a rising and the lack of proper vigilance. Even when the alarm was sounded on all parts to warn against the planned coup, the President and the government refused to believe that the Greek junta could perpetrate so monstrous a crime against Cyprus. As a result of this underestimation, the measures needed to foil reaction's schemes were not taken in time.

Had these mistakes not been made and had the necessary preventive measures been adopted in time, according to a well-considered plan, carrying through this treacherous action of the Greek junta and its agents in Cyprus would have been highly problematic if not impossible. To be sure, we must always remember that what happened on the island on July 20, 1974, was really an act of foreign intervention.

We wish to add that the lessons of the period before the coup are still valid, especially now that the imperialist conspiracy against Cyprus is being stepped up.

The 14th Congress of AKEL met at a time when the imperialists with the U.S. Pentagon in the lead are doing all they can to end the climate of détente and cooperation and to throw the world back to the cold war. This is why the communist congress gave so much attention to these problems of key significance to the destiny of mankind.

World imperialism headed by the U.S. is in a severe crisis due essentially to the crisis of the capitalist system itself. The imperialists are searching desperately for a way out of the impasse through the arms race and re-penetration into countries that have won independence; they do not hesitate to resort to fascist coups or to create seats of tension and armed conflict.

However, their policy is resisted by many peoples of the world, including our people. The Cypriots' liberation struggle is only part of the worldwide struggle against imperialism, foreign occupation and neo-colonialism, for independence, sovereignty and territorial integrity. In spite of their small numbers and modest military potential, they are fighting with true heroism against the most reactionary imperialist forces.

The imperialists cannot stomach the fact that capitalism is not in a position, as life has proved, to hold its own in the peaceful competition with socialism although it began to develop more than two hundred years before the rise of socialism, before the emergence of the world's first socialist state, the Soviet Union. The Soviet Union has outstripped the most developed capitalist country, the United States, in many key production spheres and will certainly outpace it in all spheres without exception.

The gains of world socialism have brought about a change in favor of détente and peaceful coexistence. The policy of détente is not a sentimental or pacifist policy but a real revolutionary policy holding the promise of a radiant future, not only for the socialist countries, but for the whole world. The peoples' struggle to consolidate détente, promote peace and ban the neutron bomb is a struggle for peace, the freedom of peoples, social progress and socialism. The policy of détente and peaceful coexistence is steadily making headway against stubborn imperialist and Maoist resistance. A salutary policy for mankind, it is bound to prevail, for the forces backing it are far superior to those of international tension and war.

The unity of the international communist and working-class movement has never been as imperative as it is today. On this unity and the peoples' struggle for more lasting détente and cooperation will depend whether mankind is spared a thermonuclear holocaust. We communists must not forget that imperialism is still strong enough to cause much damage to the international liberation and working-class movement. It is trying hard to raise barriers on the people's road to real independence, democracy, social progress and peace. In this it is also encouraged by the attitude of the Chinese leadership, which has thrown the weight of People's China, not behind other socialist countries, not behind the communist and workers' parties of the world, but virtually behind imperialism and NATO. Our party unanimously condemns this pro-imperialist line.

AKEL has always been unshakably loyal to the immortal principles of Marxism-Leninism and proletarian internationalism. It firmly adheres to the provisions of the documents of the Conference of Communist and Workers' Parties of Europe (Berlin, 1976). The communists of Cyprus see anti-Sovietism in any form as tantamount

to anti-communism, and determinately resist it. We will never allow ourselves to be decoyed into this imperialist trap. Our party will go on consistently supporting the unity of the international communist and working-class movement. We regard this unity as the best earnest of success in the struggle against capitalism and imperialism, for peace, independence, social progress and socialism.

The Portuguese communists in the struggle for peace

Albano Nunes
CC member, Portuguese CP

In Portugal, the movement for peace and disarmament has its own specific features, dynamics and goals. But it is also a component part of the common struggle of the working people and the whole Portuguese nation. Last May, a Plenary Meeting of the PCP CC analyzed the mass action which has been developing in our country and emphasized that 'the movement in defense of peace, and for disarmament, and especially against the manufacture of the neutron bomb, has been gaining in scope. It ranges over the whole country, from North to South, and is expressed in broad action involving men and women of the most diverse political orientations, ideologies and religious creeds.'

The peace movement cannot be circumscribed by any more or less closed structure or political sector, for this would be at odds both with the tasks of the struggle and with the possibilities for mustering broad masses of people. In varying degree, this movement involves men and women of all classes and strata of society; trade unionists, members of parliament, women, young people, clergy, members of the working people's labor collectives and commissions, intellectuals and military men. They make sure of the most diverse forms and methods which are all geared to the same goal. Various social, cultural, political and religious organizations and societies ever more frequently come out for peace, disarmament, security and international cooperation.

The Portuguese Council for Peace and Cooperation has an important role to play in the common struggle for a policy of peace and friendship among nations. This is a highly representative body involving various political, ideological and religious forces. Its prestige and authority among the broadest sections of the population has been

growing. It has become a necessary link with the international peace movement and with all those working for security, cooperation and solidarity with the peoples fighting against colonialism, racism and apartheid. It maintains constant ties with the World Peace Council, on whose Presidium there are three prominent Portuguese public figures.

The broad action by the Portuguese peace fighters in collecting signatures to the new Stockholm Appeal and the campaign against the neutron bomb have had a strong impact in parliament and other organs of political power, and also in the mass media, although these are dominated by a sectarian and rightist orientation. Tens of thousands of signatures have been collected, and hundreds of meetings and public discussions held. Representative Portuguese delegations took part in international conferences, notably, the International Forum against the Neutron Bomb, which was held in Amsterdam last March. The Portuguese Peace Movement took an active part in preparing and holding the World Conference Against Apartheid, Racism and Colonialism in Southern Africa, which met in Lisbon in June 1977, and which was attended by the most prominent leaders of revolutionary and national-liberation movements in the region. Action for security and cooperation in Europe has been spreading across the country.

Portugal's experience shows that political forces, organizations, strata and individuals which find it hard to work together in other fields can well understand each other and act together in the struggle for peace. Deputies from the Communist, Socialist and other parties, have joined with other prominent representatives of civilian and military forces in cooperating in the struggle for peace and taking joint action which is of great political importance. The peace movement in Portugal has (and, we hope, will continue to have) to its credit the fact that it has helped to organize and inspire broad public opinion and action which goes well beyond the framework of political structures. This movement helps to develop mutual understanding and cooperation without any discrimination between organizations or individuals, who come from the most diverse political, ideological and religious circles.

The struggle for peace in Portugal has rich traditions, with deep roots in the mass popular movement that has developed in our country for over 50 years despite repression and terrorism from the fascist dictatorship. It has made use of legal, semi-legal and illegal forms of struggle, and has grown and gained in scope. It has staged large-scale massive action and street manifestations, and set up organizations working for peace, security and international cooperation. Some of them, like the Portuguese Committee for Security and Cooperation in

Europe, which Portuguese fascism was unable to destroy, went over to open action even before April 25.

The Portuguese people have taken an active part in all the major international actions in defense of peace. They have vigorously opposed the Salazar government's support of Germany and Italy during the Second World War. On V-Day their action took the form of mass manifestations. Since the defeat of fascism, the Portuguese peace fighters have urged a ban on the atomic bomb, for dismantling of the Atlantic Pact and against Portugal's participation in it. Hundreds of thousands of Portuguese signed the first Stockholm Appeal, although this entailed persecution, arrest, and even loss of life. In the 50s, the struggle for peace was the main line of a broad Democratic Youth Unity Movement. At that time, a mighty tide of protest welled up and helped to make known the sentences passed on the prominent leaders of the national-democratic movement who had been arrested in 1952 for taking part in the campaigns against NATO and the atomic bomb. The Portuguese peace fighters took an active part in acts for disarmament, peace, security and cooperation in Europe, notably for the convocation of the Helsinki Conference. Their struggle has always had its specific features which arose from the specific situation in the country, characterized by the struggle for national independence, and against colonialism and colonial wars.

Since the 60s, the struggle for peace merged with the struggle for an end to the criminal colonial wars, and for immediate and complete independence for the peoples of Angola, Mozambique, Guinea-Bissau, Cape Verde Islands, Sao Tome and Principe.

The struggle against colonial war has had a tremendous impact on the masses, involving all the anti-monopoly classes and strata and deeply penetrating the armed forces. The struggle assumed various forms, including petitions and powerful street manifestations, resistance in the barracks and sabotage of the fascist colonial machine.

Quite naturally, under the fascist dictatorship with its colonial wars, the struggle for peace, disarmament and peaceful coexistence necessarily became openly anti-fascist. Throughout the existence of the dictatorship it was an important part of the democratic movement against fascism and for freedom.

There is no doubt that the help which international imperialism gave to these colonial wars, the cold war, the arms race and the growing international tensions made it more difficult to isolate the dictatorship on an international scale, and made it easier to pursue its policy of exploitation, repression, terrorism and wild anti-communism. By contrast, the successes of peaceful coexistence, détente and international cooperation gave the popular and dem-

ocratic struggle greater scope and created favorable conditions for overthrowing the dictatorship.

One of the main goals of the democratic and national stage of the Portuguese revolution was to do away with the imperialist domination of Portugal. The April 25 Revolution was an important advance in this direction: the colonial wars were stopped and independence was held out to the peoples of Angola, Mozambique, Guinea-Bissau, Cape Verde Islands and Sao Tome and Principe. In the face of strong pressure, sabotage and various interventions by international imperialism against our people patriotic attitudes frequently prevailed at the most crucial moments. The world saw democratic Portugal's new face: its activity in the United Nations, at the Helsinki Conference, at conferences of non-aligned states, its stand with respect to NATO and the establishment of diplomatic relations with socialist countries just after the revolution.

However, it is still a long way to final victory in this field. The policy of re-establishing the positions of imperialism, first pursued by the Socialist Party's government, and then by the coalition of the Socialist and the Socialist-Democratic Center, presents a grave danger.

The 'European alternative' (entry into the Common Market) and the disgraceful subordination to the dictates of the International Monetary Fund have harnessed Portugal with the multinational monopolies, which are pushing the country's economy to disaster and jeopardizing the revolutionary transformations. What is especially alarming is the proposal by some circles about Portugal's participation in NATO. It is quite obvious that if national sovereignty and the observance of constitutional norms depend on multinational mechanisms, they will never prevail.

The May 1978 Plenary Meeting of the PCP Central Committee indicated the facts which are of the greatest concern, among them: (a) the connection between the country's participation in NATO and demands on its domestic policy; (b) the excessive expenditures caused by the existence of military bases on Portuguese territory (in the Azores, etc.); and (c) statements by senior NATO leaders aimed to further involve Portugal in the aggressive plans of imperialism.

This is an urge to involve Portugal in the most reactionary and aggressive strategy of imperialism, a prospect that is a real threat to its foreign-policy development. Our party has opposed and will continue to oppose such trends with the use of appropriate forms.

The PCP, while working for peace, for deepening the détente and against the arms race, has also come out in defense of national independence and the Republic's territorial integrity, which are being jeopardized in the Azores where the United States, using the CIA and

other intelligence agencies is giving open aid and support to fascist separatism. The PCP has worked for observance of the Constitution and exposed attempts to enmesh Portugal in the aggressive strategy of imperialism.

The Portuguese communists believe that lasting world peace can be established, but this does not imply supplication or some pacifist pious hope. The demand for peace is realistic, and it has on its side the new historical circumstances and the new balance of forces which has resulted from the existence and successes of the socialist countries, the working-class struggle in the capitalist countries, and the rapid development of the national-liberation movement and the great movement for peace which helps to muster ever greater masses of people all over the world.

Progressive mankind has always had the great vision of building a new world in peace and friendship among nations, and the international communist and working-class movement is naturally in the van of this struggle. Peace alone makes it possible to realize the interests and aspirations of the working class. Peace is necessary for the full and harmonious development of the tremendous potentialities of socialism.

In their country, the Portuguese communists have always been the most steadfast and active fighters for peace, so doing their duty to the working class and the rest of the Portuguese people. At the same time, in the struggle for peace and détente the PCP has always attached much importance to cooperation and joint action by the democratic and peaceable forces of the whole world, primarily joint action by communist and workers' parties and the international communist movement.

In 1957, the PCP joined 64 other communist and workers' parties in signing the Peace Manifesto. It took part in the international conferences of communist and workers' parties in 1960 and 1969, which were crucial for assessing the characteristic features of our epoch, the balance of forces in the world and the communists' prospects and tasks in the struggle for peace. It also took part in the Rome and Brussels conferences of the communist parties of the capitalist countries of Europe, and in the 1967 meeting at Karlovy Vary, which gave a fresh and powerful impetus to the struggle for peace and security on the continent. We also took part in the Conference of Communist and Workers' Parties of Europe in Berlin in 1976.

The Portuguese communists are very well aware of the crucial role played in the struggle for peace by the existence of the USSR and other socialist countries, and their successes in building a new, classless society, their firm and consistent policy, and their international assistance to the peoples fighting for their national liberation and

social emancipation. It is not accidental that imperialism has directed the edge of its attacks against the socialist camp, making use of the most diverse forms, both openly hostile and subtler ones, in an effort to weaken, divide, disarm and disorient the forces fighting for peace, national liberation and social progress.

For the PCP, the struggle for peace is inseparable from the struggle against anti-Sovietism, which is the main line of imperialism's ideological offensive. Our party advocates the development of relations and cooperation between the new democratic Portugal and the USSR and the rest of the socialist camp, stronger friendship and solidarity between our party and the CPSU on the basis of Marxism-Leninism and proletarian internationalism. This has been and will continue to be the PCP's invariable stand.

The class enemy has done its utmost to divert us from this line. It has accused the PCP of being 'dependent,' of wishing to 'import the Russian model,' and has called our party 'undemocratic' and 'non-national.' It has denied our party its sordid certificate of 'democratic respectability' because we refused to be involved in Carter's 'Russian threat' or 'human rights' campaign.

In a recent lecture which Mario Soares gave at the Social-Democratic Party Institute in West Germany he declared that 'PCP's undemocratic behavior and its unwavering loyalty to the Soviet Union are an obstacle for that party's entry into the government within the next few years, so long as Portugal is a member of NATO.'

But we shall not take the road suggested by such advisers. Ultimately it is not the NATO leaders but the Portuguese working class, the other working people and the whole nation that will decide whether the PCP is to take part in the government. As for membership in NATO, the PCP believes that this is a matter calling for special circumspection. It cannot be decided in isolation from other issues, and needs to be considered within the broadest framework of the process of détente and international security and cooperation, and such membership should not damage our country's independence and sovereignty. Portugal must not be involved in the dangerous policy of the arms drive and aggravation of international tensions which the most reactionary and aggressive circles in NATO encourage.

Our party will not take a false step toward anti-Sovietism either for tactical considerations or to gain some instant success. We cannot say that we are the worst for remaining loyal to this attitude which springs from the fundamental principles of proletarian internationalism. The Peking leadership's example shows very well that departure from these principles inexorably and logically leads into the bog of more or less overt cooperation with imperialism. There is no need here to recite the harm done to the struggle for peace by those who have been

spreading the idea of 'two superpowers.' 'two imperialisms,' 'hegemonism,' and so on. The Portuguese communists believe that a class Marxist-Leninist analysis of the international situation is necessary for active and consistent participation in the struggle for peace.

Most harmful, in our view, is the attempt to consider in the same light NATO and the Warsaw Pact, which are military alliances of a totally different class nature, and the urge to put on the same footing the internationalist assistance given to a people defending its sovereignty and territorial integrity, and imperialist intervention in the affairs of another state for the purpose of suppressing the people's struggle for national liberation and social emancipation.

The Portuguese revolution and the revolutionary transformations in Portugal since the overthrow of fascism and the end of the colonial wars are an important factor of peace in Europe and throughout the world.

On the other hand, the establishment of the principles of peaceful coexistence in international relations and the swing away from the cold war toward détente have created favorable international conditions for the Portuguese revolution, helping to bring about the international isolation of fascism and limiting the opportunities for imperialist intervention in Portugal's domestic affairs after April 25. Neither neighborhood with Spain, then still under Franco, nor the geographic situation in Western Europe, the economic and other dependence on the monopolies of the Common Market and the United States, nor even NATO membership have prevented the important revolutionary transformation in the country. In this way, the Portuguese revolution dealt a heavy blow at the diverse geopoliticians who, like the present spokesmen for the Portuguese social-democrats, seek to undermine hope in our revolution and to justify their attempts to wipe out its gains.

The Portuguese revolution has confirmed that the struggle for peace is inseparable from the struggle for democracy, national independence and socialism, and that peaceful coexistence and détente do not hamper national liberation and social emancipation. The Portuguese revolution has shown that peace does not and cannot rule out the class struggle. It creates favorable conditions for its development in favor of the working class and the anti-imperialist forces, which have the greatest stake in establishing a climate of peace, security and cooperation among nations.

Faced with the offensive of the revolutionary forces, imperialism is now seeking to move to a new line of defense, presenting its own interpretations of peaceful coexistence, maintenance of the notorious status quo, and 'division of the world into spheres of influence' in its efforts to defend and regain its lost positions, to justify its intervention

and aggression against the peoples fighting for their national liberation and social emancipation. Whenever another link in the imperialist chain snaps, the hawks of NATO and the White House step up their threats and blackmail against peace, attack the USSR and other socialist countries, their solidarity with the democratic and national-liberation movement, and accuse them of encroaching on peaceful coexistence and breaking the rules of détente.

Imperialism hopes that such campaigns will have an effect on the situation within the world anti-imperialist front and the international working-class and communist movement, and tries to spread confusion in men's minds by equating the concept of peaceful coexistence and ideological coexistence, inducing abandonment of the class struggle by contrasting peace and revolution. The PCP believes that there must be continued and resolute struggle against such propaganda moves and ideological subversions by imperialism.

The struggle for peace is inseparable from the struggle for democracy, independence and social progress. At the 1969 Meeting of Communist and Workers' Parties, our party declared that this struggle requires, as never before, defense of the peoples which have fallen victim of aggression, local wars and armed intervention by imperialism, elimination of the remaining seats of colonialism, neo-colonialism and racism, and abolition of fascist and reactionary dictatorship. Neo-fascist sorties must be resolutely rebuffed.

There is good reason why in Portugal the most rabid enemies of peace, détente and international cooperation are also the worst enemies of the April 25 Revolution and the progressive Constitution. They are also the fiercest slanderers of the socialist camp, the most die-hard opponents of development of relations with the new African countries, notably Angola and Mozambique, and the most active advocates of a policy of national surrender and involvement in the aggressive strategy of imperialism.

That is why the struggle for peace in Portugal, which has its own direction, organizational forms and methods of action, is inseparable from the struggle against fascism sorties, in defense of the Constitution and the gains of the revolution, for diversification of Portugal's external ties, and for steadfast defense of national independence.

The new democratic Portugal can and must play a positive part in the struggle for peace. Its Constitution says quite clearly that the goal of the democratic state is 'abolition of every form of imperialism, colonialism and aggression, general, simultaneous and controlled disarmament, dissolution of political and military blocs and establishment of a collective-security system.'

The PCP has been doing its utmost to secure respect for the Portuguese people's urge for a policy of peace and friendship with all

nations as expressed in the Constitution. The PCP will work persistently to have the government take steps to end the campaigns of slander and lies against the socialist countries and the new African states. These campaigns are being carried on not only by the fascists, but also — and this is especially dangerous — by the government mass media. The PCP will actively fight the use of Portugal by imperialism and its puppets for provocative acts and aggression against other peoples, notably Angola and Mozambique. The policy of peace and friendship with all nations, the development of international relations on the principles of mutual advantage and non-interference in domestic affairs benefit not only the Portuguese people but also the cause of world peace.

The greatest contribution to the cause of peace that can be made by the communists, democrats and all the peaceable forces of Portugal is to defend democracy so as to enable the Portuguese Revolution once again to advance toward socialism. At the same time, the PCP will work to involve more and more people and the most diverse democratic strata in tackling the common tasks in the struggle for peace, which is of vital importance for all nations.

In their efforts to slow down or reverse the process of détente, the most reactionary and aggressive policies of imperialism have been stepping up the arms drive, expanding their intervention in the domestic affairs of nations and producing new plans for a neo-colonialist come-back. All of this has gravely increased international tension. The plans mapped out at the NATO meeting in Washington are a real threat to the cause of peace. They must not be underestimated. The PCP believes that joint action must be taken by all the forces of peace, democracy, social progress and socialism, and anti-imperialist unity strengthened, so as to prevent these plans from being implemented and to make the militaristic forces retreat.

While another world war may no longer be inevitable, peace has yet to be guaranteed. There is a need constantly and persistently to work for peace. Inspired by the confidence that the struggle for peace will succeed, the international communist and working-class movement, and all the other forces of peace, democracy and social progress will score a convincing victory if they are united and if they concentrate their efforts along the right direction, if they sweep away the obstacles erected in the way of their joint action by imperialism's active propaganda moves and ideological subversions.

The Portuguese Communist Party believes that the communists' unity and solidarity in action, the cohesion of the international communist movement are decisive and indispensable in the struggle for peace, disarmament, security and international cooperation.

---

viewpoints

Latin American panorama

The attention of observers is still focused on developments in Latin America and the Caribbean. Characterizing the revolutionary process in this region, the Conference of Latin American Communist Parties (Havana, 1975) said in a declaration that this is a difficult and complex battle, with a place for all forces opposed to North American imperialism. The revolutionary movement must employ different forms and methods, correctly determining their place and time in accordance with the prevailing conditions in the countries concerned. The following three articles analyze the situation in Chile and the Dominican Republic, and show the solidarity of progressive world opinion with the people's struggle in Nicaragua.

THE CHILEAN ECONOMY IN CRISIS

Hugo Fazio
CC member, Communist Party of Chile

In Latin America, capitalist relations have become predominant, although they are deformed and retain survivals of pre-capitalist relations. This has inevitably had an effect on the evolution of cyclical crises. In the past they were mainly a reflection or consequence of crises in the developed capitalist countries, but today economic processes are increasingly influenced by internal factors in Latin American countries, most of which are in the throes of an extremely acute structural crisis. This fact has increasingly attracted the attention of Marxist scholars and communist parties. The Brazilian communists, for instance, have reached the conclusion that 'the first cyclical crisis of over-production, determined by the development of capitalism in Brazil, began in 1963. Earlier crises had merely been a reflection of crises in other countries, i.e., were "imported" crises.'[1]

We find the same thing in the cyclical evolution of the Chilean economy over the past several years, especially in connection with the crisis which broke out soon after the fascist coup. This crisis was caused above all by internal factors due to the heavy regress into

which the country was plunged by the dictatorship in every sphere. Of especial importance among these factors is the form in which imperialist domination is clothed.

To obtain a deeper insight into these phenomena, let us look at the forms of cyclical development in Chile in the light of the consequences for Latin America of the 1974-75 economic crisis of the capitalist world, the deepest since the war. Although this crisis did result in a marked decline in economic activity on the continent, the gross domestic product (GDP) continued to grow. From 1970 to 1974, it increased on average by 7.2 per cent, and in 1975 by only 3.1 per cent. In that period, the GDP per head fell on average from 4.4 per cent in the 1970-74 period, to 0.4 per cent in 1975.

One of the gravest consequences of the cyclical crisis was a growth of the deficit on current account, which led to a rapid rise in the Latin American countries' external debt and a growth of their dependence on the economy of the chief centers of the international financial oligarchy. The deficit was covered by a net influx of foreign capital, which was mainly invested by private banks. From 1974 to 1977, the Latin American countries' deficit on current account came to over $36 billion.

In Chile, the cycle evolved in a different way. The first thing to note is the sharp drop in the level of production. In 1975, the GDP in market prices was down 16.6 per cent on the previous year, but in per-head terms the figure was 18.4 per cent. In the key industries, the decline was even greater: manufacturing product fell by 27.4 per cent, and construction by 31 per cent. The reasons for the cut-back in production cannot be understood without an analysis of the specific development of the Chilean economy and of the dimensions of the structural crisis. One of the immediate factors which brought on the crisis was the sharp reduction in wages and of consumption by the bulk of the population. An economic crisis of over-production usually breaks out when the gap between the level of production and the level of consumption reaches a critical point, i.e., when the growth of consumption lags behind the growth of production. In Chile, that critical point came after the heavy slice in wages just after the fascist coup.

There was a sharp reduction in the share of wages in the national income. It stood at its lowest point in 1976 — 41.1 per cent — while under the Allende government it was 62.8 per cent. In monetary terms the figure was even lower, because in that period the national income also dwindled. In 1972, wages totalled 20,502,000 pesos (at the 1965 exchange rate), and in 1976, 17,370,000 pesos. Consequently, total wages dropped by 44.56 per cent.

The situation was compounded by the fact that the prices of the

prime necessities grew at a much faster rate than the consumer price index, and also by the cuts in government appropriations for social needs. In 1972, outlays on social needs came to $143 per head of the population, in 1975, $65, in 1976, $76, and in 1977, $78.[2]

When elaborating the Marxist theory of expanded reproduction and cyclical crises, Lenin reached the conclusion that, with the growth in the organic composition of capital, the most rapid growth occurs in the production of means of production for turning out means of production, then comes the production of means of production for turning out means of consumption, while the slowest growth occurs in the production of means of consumption (see *Coll. Works,* Vol. 1, p. 87). The consequences of the general decline of economic activity in Chile could have been eased through a corresponding increase of investments in production. But in 1975 domestic investments in fixed capital were sharply cut back, to nearly 10.7 per cent of the GDP, and in 1976, to 9.8 per cent. In 1977, they again rose to 10.7 per cent. The small volume of investments from 1974 to 1977 will be seen from the fact that on average their volume was 11.1 per cent lower in that period than it was in the 1960-63 period, when the country's population was only 75 per cent of the present. In this respect, Chile has markedly lagged behind the Latin American countries as a whole, where in 1974-75 the growth of investments averaged over 20 per cent.

The shrinking consumption soon led to a sharp narrowing down of the domestic market, so that many industries were unable to sell a sizable part of their products. By 1974, the sale of manufactured goods was down 7.7 per cent on 1972.

Thus, the decline in the level of consumption under fascism was the immediate cause of the cyclical crisis. The dictatorship's acts, which slowed down the country's economic activity, exacerbated to an extreme the basic contradiction of capitalism, that between the social character of production and the private-capitalist form of appropriation, and led to regress in every sphere of socio-economic life.

Economic activity in the production sphere continues at a low level to this day, although in percentage terms its decline is not as heavy as it was in 1975. In the first five months of 1978, manufacturing output dropped by 20.1 per cent as compared with the average indicators for that period in 1972, and by 6 per cent as compared with the 1968 average.

The crisis assumed even greater proportions in the building industry, whose development in Chile has long depended mainly on government appropriations. In 1977, output was only 56.1 per cent of the 1972 level. In 1977, it had a product valued at 643,000 pesos (at the 1965 exchange rate), as compared with 1,145,000 pesos in 1972. The

Manufacturing Output
(January-May, per cent, 1972 = 100)

1973	–97.5
1974	–95.9
1975	–75.3
1976	–58.4
1977	–73.4
1978	–79.9

Source: Instituto National de Estadisticas

lowest indicator was recorded in 1976 — 621,000 pesos.[3] Almost 39 per cent of the country's population now suffer from a growing housing shortage.

The crisis which hit agriculture sharpened as the negative consequences of fascism's agrarian policy and the economic processes in the country in general materialized. Agriculture has been damaged by the return to the old owners of 28.4 per cent of the lands expropriated in the process of land reform; by the growing concentration of land property, which has been recently promoted by the actual lifting of the relevant decrees issued under the land reform act; by the steady ruin of the small-holders; by the shortage of credits, which are available only at a high interest rate; by the policy of domestic prices, which are not based on any consideration of the actual state of the country, but on an urge to raise them to the level of world prices; by the wholesale lifting of protectionist measures in agriculture; by the inadequate technical assistance, which is now provided not by government agencies, but by private companies with the use of government funds, etc. In the farming season of 1977-78, the harvest of 14 staple annual crops was down by 27 per cent (in 1974 market prices).

These data show that the crisis has been followed by a drawn-out depression, and that in some sectors, like agriculture, the crisis has continued to deepen.

Nor has the crisis been overcome in the other spheres of the economy, including finance. The high interest rates and the increase in the volume of money in circulation means that the financial system continues to be shaky. The amount of money in circulation has been increased much faster than the consumer price index.

In 1977, the interest on short-term credits was 56.3 per cent. In the first seven months of 1978, bank interest averaged 5.3 per cent a month, while the consumer price index went up by 2.3 per cent, so that the real interest rate averaged 3 per cent a month. In this context, Arnold Harbenger, Dean of Economics, University of Chicago, one

of the authors of the economic model adopted by the Pinochet dictatorship, wrote that this was 'a phenomenon unique in the world.'[4]

The crisis of the Chilean economy is acute and drawn-out. It cannot be compared even with the crisis phenomena in the Latin American countries after the Second World War. The scope of the crisis cannot be established without a comprehensive consideration of the damaging consequences of the policy of regress pursued by fascism, whose aim in Chile is not only to do away with the revolutionary transformations effected under the Popular Unity government, and the people's other democratic gains, but also to re-establish the structure of dependent state-monopoly capitalism on a new basis.

The cyclical crisis which broke out in the developed capitalist countries in 1974 naturally had an effect on the crisis in Chile. Chilean fascism has pushed the relations of dependence on these countries to the limit. Its policy is formed above all by the interests of international capital, to which the fascist regime's practical activity is geared. Hence the explicitly anti-national economic policy and the growing influence of the world cyclical crisis of capitalism on the country.

Let us note that because of its structure the Chilean economy is generally very sensitive to the outlook on the international market. The decline in economic activity in the developed capitalist countries led to a marked drop in the sales of Chilean copper, producing large stocks — over 2 million tons — and depressing prices: from 1975 to 1977, the price of copper was 30 per cent lower than the average for the 1965-69 period.[4] The fascist regime has virtually done nothing to prevent the fall in prices, and took an openly negative stand when the problem was discussed by the inter-governmental council of copper exporting countries. Its efforts did not promote mutual understanding among the copper-exporting countries, which suffered from the falling prices, and were aimed to oust rivals from the world market by making use of the lower cost of operating the copper mines in Chile, their more convenient location for subsequent processing and marketing. Iron ore, another important Chilean export, has suffered from the effects of the crisis in the metallurgy of the capitalist world, notably Japan, the leading importer. In 1977, iron-ore output was 22.8 per cent down from 1976.

The dictatorship's policy of denationalization has increased the negative effects of the 1974-75 capitalist crisis for the Chilean economy. Denationalization involves the handover of the principal national resources, above all, copper, oil and lithium, and also the most efficient national enterprises (petrochemical, rubber, etc.) to multinational monopolies. The regime has also held out broad privileges to foreign companies in marketing their products in the

country. This has further reduced the potentialities of national enterprises for selling their products. With the falling demand, some enterprises have managed to hold their ground only by exporting a part or the whole of their 'surplus' product. But as the national industry was stripped of its protection, the foreign-trade balance ran ever deeper into the red.

The junta's economic policy has opened the floodgates to foreign capital and goods, leaving it to Chile to produce only those goods, which, according to the junta's economic scheme, could offer 'comparative advantages.' The substance of this policy will become obvious when one considers the scale of the concentration of production and capital in the capitalist countries and the fact that Chile has very few industries — mainly those extracting raw materials — which offer 'comparative advantages.'

The country's dependence has been growing and acquiring new features. In contrast to the past, the multinationals' control of Chile's domestic market enables them to avoid making direct investments in order to get hold of this market. They can now exercise broad control from outside, by means of trade, and without making any additional investments. Apart from the dictatorship's internal and external isolation, and the view that it is an unstable regime, that is one of the reasons why, despite the broad opportunities held out by imperialism, all these years foreign direct investments have been very small and have gone almost exclusively into industries offering 'comparative advantages.' Until 1977, investments in absolute terms had a minus sign, because the re-export of capital ran ahead of the incoming capital, that year less than $14 million. The situation underwent a change after Exxon in 1978 took over the La Disputada de Las Condes copper mine on terms that were exceptionally disadvantageous for the country: it did not even pay for the cost of the mine equipment owned by the state. Still, that is the only concrete case of direct investments up to now.

Up to April 1978, the Committee on Foreign Investments authorized investments totalling $2,482 million, of which 92 per cent was earmarked for the mining industry, above all, copper mining. This is an indication of the possible trend in foreign direct investments, but the real possibilities of realizing such projects are still being studied.

The influx of foreign capital takes the form mainly of credits, which provide the imperialist concerns with additional guarantees of recouping their investments, and also enable them to earn higher profits in the form of interest. The dictatorship has made broad use of credits to cover its external debt (at the end of 1978, according to official estimate, it will exceed $6.8 billion) and also the tremendous deficit on current account, which has most markedly increased since 1977. That

year, the next influx of foreign capital came to $511 million, an unprecedented figure, and this helped to cover the $493-million deficit on current account. In 1978, the credits have been growing, totalling more than $1.1 billion, and are to be used to cover the external debt and finance the deficit on current account.

Chile's Balance of Payments
($mln.)

	1977	1978 (estimates)
Trade balance deficit	−153	−200
Services balance deficit	−365	−478
Current account deficit	−518	−678
Influx of foreign capital	+1,361	+2,000
External debt servicing	−855	−822
B.o.p. carry-over	− 7	+500

Source: Banco Central de Chile.

It is the influx of external funds, received mainly from U.S. private banks, that has enabled the dictatorship to apply its economic model. This type of financing produces the gravest forms of subordination. The country's development within the framework of fascism's economic policy comes to depend on the funds made available by the magnates of the international financial oligarchy.

Growing dependence multiplies the number of factors which make for cyclical instability and which prevent the country from entering upon a phase of economic-cycle revival. Generally, it is foreign trade that is a basic element determining cyclical crises in dependent countries, and its role in Chile has been increased by the junta's economic policy which harms a large part of industry and other spheres of production activity. Fascism's economic scheme tends to aggravate the crisis and hamper the normal evolution of the cycle.

The declining level of national investments is another characteristic feature in the development of Chile's economy in the recent period. To this day, the crisis has not provided a starting point for new large-scale investments, so failing to create the material basis for the evolution of the cycle toward a revival.

In that period, gross domestic investments in fixed capital were highly insignificant, and frequently even fell short of meeting the requirements of rehabilitating and maintaining the available capacities in the country. Only 15 years before had annual investments been on the same level as they are under fascism.

Investments have dwindled because the state has reduced appro-

priations for this purpose. Whereas in the past it traditionally made the bulk of the investments, the fascist regime has assigned an ancillary role for the state, leaving various projects to be implemented at the discretion of local and foreign businessmen.

Chile's withdrawal from the Andean Pact has worsened the state of the investment policy. Thus, investments in the key sectors of the economy, like the large-scale copper industry and the infrastructure, where the initiative of the state is especially important, have become clearly inadequate.

However, the vacuum which has developed because of the lack of government investments has not been filled by private capital, as the dictatorship expected. Indeed, private investments have always been inadequate. Nor is it likely that they will grow now that a sizable section of the bourgeoisie is in dire straits, with the practice of demanding usurer's interest rates, with national savings small, and with speculation making it more profitable to direct uncommitted funds for the short-term market. On the other hand, the strongest economic groups, which earn high profits under fascism and which have secured control of a large part of financial resources, have frankly preferred to lead a parasitic existence. Their investments in production have been very small, and they have used their uncommitted funds to take part in speculative deals, to buy up state enterprises which are reprivatized and to buy luxuries. The financial oligarchy has taken a most reactionary stand. A part of the national surplus-value is being redistributed in its favor (and not without its underhand help). The financial oligarchy, exercising control of the money market, has used the public funds available on this market for its own self-seeking ends. As a result, the policy of credit allocation is profoundly reactionary.

The dictatorship's hopes that investments will grow have been dashed: it had hoped for an influx of external funds which, as I have said, have up to now been very limited and have not, in effect, helped to stimulate economic activity.

The normal economic-cycle trend in Chile has run into numerous obstacles. Fascism's economic policy has kept generating new contradictions, and is incapable of leading to a rapid restoration of the production process and improving the health of the economy. Among the obstacles in the way of economic development are the broad incentives for imports ousting national products, the fold-up of the key industries, the monopolization of the economy, the narrowness of the domestic market, the country's isolation in its traditional markets where it could once sell its products, the high level of unemployment, the large deficit on current account, the heavy external debt, etc. In addition, one should take into account the effects of the structural

crisis. The contradictions between the national interests of Chile and a majority of its population, on the one hand, and the interests of multinational, chiefly U.S., capital, the local financial oligarchy and the big landowners, on the other, have been sharpened to an unprecedented degree.

The failure of the dictatorship's reactionary economic policy in the course of the crisis also spells defeat for the strategy of imperialism, which wanted the fascist regimes to do away with the revolutionary and progressive movements and also tackle the task of overcoming the crisis of the structures in Latin American countries.

An analysis of Chilean reality and its economics helps one to understand the great role of internal factors in the development of the cycle, which is attendant with growing dependence on imperialism. The imperialist presence in most Latin American countries, especially those under fascism, is one of the chief internal factors of the structural crisis.

1. *America Latina,* No. 1, 1976, p. 115.
2. *Hoy,* September 6, 1978.
3. *Boletin del Banco Central,* January 1978, p. 206.
4. *El Mercurio,* November 27, 1977.
5. *El Mercurio,* January 14, 1978.

CHANGES IN THE DOMINICAN REPUBLIC

Narciso Isa Conde
General Secretary, Dominican Communist Party

August 1978 saw a change of power in the Dominican Republic. Antonio Guzman, a leader of the Dominican Revolutionary Party (DRP), became the new (77th) President of the Republic. In the May general election he defeated Joaquin Balaguer, leader of the ruling Reformist Party (RP), who had been President for 12 years ever since the country's occupation by U.S. Marines.

The election revealed a sharp, unprecedented polarization of forces. The greatest rivalry was between the above two parties, which won about 97 per cent of the votes. This did not come as a surprise to the Communist Party.

The outcome of the election evoked keen interest, in particular among Latin American progressives, but we think many observers failed to interpret it correctly. Some of them held that considerable changes had come about after 12 years of repressive, all but fascist rule, with power passing to real left-wing forces. This calls for some explaining, and prompts us to state our view.*

*We do not here survey in detail the alignment of class forces in the country, the positions held by imperialism or the policies of the RP and the Balaguer government. For this, see *WMR*, May 1977, p. 124.

First of all, what helped the DRP win? To answer this, we must review, if only briefly, its history and evolution.

The DRP was founded in emigration in 1939 by Juan Bosch, a noted writer and politician. Ideologically, it is akin to national reformist organizations and Latin America's 'democratic left.' In 1963, the DRP came to power and carried out a series of progressive reforms against the combined resistance of the oligarchy, and military and the United States. There followed a coup and the DRP became the 'victim party' and won the sympathy of the masses, especially following its participation in the April 1965 revolt, defeated as a result of U.S. intervention. It was after these events that the DRP gradually adopted a more radical and progressive line, advancing an anti-imperialist, anti-oligarchic program calling for nationalization of foreign enterprises and an agrarian reform. This enabled it to retain its influence on the masses, which has grown politically and ideologically, and helped it establish close relations and then cooperate with left-wing organizations, including the Communist Party, the cooperation lasting till 1972.

That was when the DRP reacted in an unexpected manner to the agrarian program of the Balaguer government. The leadership of the party, still headed by Bosch, rose up in arms against the program; it made a bid for alliance with groups attacking the regime's reformist initiatives from a rightist position, and spearheaded its propaganda against Balaguer's 're-election' to the presidency. The door of the DRP was thrown open to those who had quit the government because they disagreed with its agrarian policy. It was they and some DRP leaders who accelerated the party's shift to the right.

This was complemented by a determination to remove all obstacles on the road to power. The DRP leadership did much to win the confidence of the oligarchy and secure U.S. support. In the first half of 1973, the party began to abandon its anti-imperialist and anti-latifundium policy of far-reaching structural change.

The effort to unite Balaguer's opponents was intensified after Carter's election: the DRP believed his victory made its own advent to power easier. Its leadership did all it could to establish contacts with the Carter Administration and persuade it that the DRP position did not imperil big foreign and domestic capital. At times one had the impression that the DRP wanted to take a more pro-U.S. stance than the Balaguer regime.

The DRP's policy bore fruit, and alarmed the RP, for it had enjoyed unlimited support from Washington. This support was now given to two parties. Perturbed by Balaguer's 'political and physical senility,' the U.S. set out to train a force that could replace him and operate without changing the existing system.

The establishment of closer relations between the DRP and the international social-democratic movement contributed greatly to the processes we are examining. During its radicalization period, the DRP only maintained contacts with the Social-Democratic Labor Party of Sweden. But after it had decided to remove all barriers to its assumption of power, it extended relations with the social-democratic parties of Europe and joined the Socialist International (SI); its leader, Jose Francisco Pena Gomez, was elected Secretary of the SI Bureau for Latin America.

Gradually the DRP, being the biggest opposition party, succeeded to a considerable extent in giving voice to the sentiments of the people, who condemned the RP's policy. Its leadership showed a growing desire to topple Balaguer at all costs, even at the price of renouncing a progressive program.

Without going into details, it is fair to say that the RP gradually stopped backing extreme reaction and took a more moderate stand. This expressed itself in agrarian reforms and a liberalization of national politics under left-wing pressure. As for the DRP, it drifted farther and farther to the right. There even began a competition of sorts between them. Each party wanted to win over the bulk of the electorate and prove to big business and the U.S. monopolies that it was the most trustworthy force. In that situation the more powerful business interests, which had gained strength under the Balaguer government, began, like the United States, to play a double game by backing both parties, a fact that undoubtedly helped erase the main distinctions between them.

Opposition strengthened as the economic crisis went from bad to worse. The peak of economic growth was reached in the 1969-73 period, after which the growth factors ceased to operate and the unsolved structural problems of society began to tell.

Economic growth had been achieved by raising the prices of exports, chiefly sugar, increasing the export of bauxites and gold as new items, and exporting somewhat more sugar, coffee and cocoa. Other factors were the initial effect of foreign investment, the use of credits granted to the Dominican Republic on advantageous terms and intended to pay its foreign debt, an increase in the money supply, and other elements of the economic policy, which consisted in covering current government expenditures and increasing the flow of investments into public works.

The limitations of this policy made themselves felt even while the economy was on the rise, as the deficit of foreign trade, and above all, the balance of payments indicates.

The economic growth rate (it averaged about 11 per cent a year in 1969-73) began to decline. The trend was intensified by a drop in

world sugar prices. In 1977 the gross national product increased by a scant 3.3 per cent, and in 1978 it is estimated to be still lower — only two per cent — close to the growth of the population. The condition of agriculture is a further important aspect of the crisis situation. Agricultural production in 1969-73 went up by an annual average of six per cent but in 1977 it dropped to two per cent. All indications are that the trend toward stagnation in agriculture will persist, all the more since the economic situation is no longer favorable, and that it will not be long before the consequences of the refusal to carry out an agrarian reform and of the preservation of the latifundium system will tell in full measure.

The fact that these problems were unsolved tended to weaken the Balaguer regime. The situation was aggravated by the growth of the marginal strata, a sharp decline in peasant living standards, a wage freeze and mounting inflation, with the result that in 1969-77 the cost of living more than doubled and the purchasing power of the peso decreased by 56 per cent.

It was in those conditions that the DRP declared for changing things, and understandably won widespread support. Two months before the elections it was clear that if there were no excesses the DRP would be the winner. Balaguer, for his part, counted on spending millions in public funds. It is important to note that the elections took place in greater freedom than in 1974. This was due to disunity among the armed forces, the emergence of two major groups, and a broad movement against political terror. During the elections the army was led by rightists but with moderate views. This was also one of the factors for the DRP victory.

When the military associated with Balaguer stopped the vote count (an event that had strong repercussions abroad and was even described as an attempted coup) the DRP could have called for, and would have received, mass support. Instead, it sought aid from Carter, thereby facilitating new U.S. interference in Dominican affairs. Worse still, the DRP leadership offered U.S. imperialism, which had strangled the people's rising in 1965, the opportunity to pose as a defender of social freedoms in our country.

Realizing that the DRP was no longer a danger to the presence of U.S. companies plundering the Republic's natural resources, Carter and the State Department exerted diplomatic pressure and, indeed, threatened to cut off economic aid. As a result, the groups of the Dominican bourgeoisie closest to the U.S. Embassy won special privileges: most key posts in the new cabinet have gone to men favored by U.S. monopolies.

Be that as it may, we take a positive view of the change of power. There are now greater opportunities for free political activity. This

applies, for instance, to the law on political amnesty, which the people and the Communist Party had campaigned for over so many years. Our party has good prospects for growth. Formerly this was not so because the DRP, being the center of opposition to the Balaguer regime, was generally seen for 12 years as the party of hope. The situation has changed since the DRP came to power. Our point of view now coincides with the country's public opinion but we still lack proper political leverage. The force of the party's ideas and proposals can influence some events and actually has, but the party is not yet in a position to lead the masses. Our goal is to become a real and effective force. Our weekly, *Hablan los Communistas* (published since June 1978). should play an important part in bringing this about.

Our party won fifth place among the 11 organizations which took part in the elections, and this in spite of numerous obstacles (it was not legalized until late 1977 and so could not adequately prepare its campaign). Behind the DRP and RP and ahead of the communists were the Dominican Liberation Party led by the former DRP leader, Bosch, and the Democratic Integration Movement, whose chief aim was to prevent Balaguer's re-election. We believe, however, that these two parties now show a downward trend, the former because of the small number of votes cast for its candidate, Bosch, until recently one of the country's most prominent personalities, and the latter, because its electoral aim has been attained. All of this warrants the opinion that the Communist Party is the third biggest political force on the domestic scene.

Our principal object today is to become a mass organization, win over the rank and file following the DRP and conclude a practical alliance with them. The party had decided accordingly on its line toward the DRP, and the new government. It has declared that it will oppose their links with the oligarchy and the bourgeoisie and their new approach to the U.S. At the same time, the communists will support every measure aimed at meeting the demands of the working people, in particular the workers, who voted for the DRP, and every step bringing nearer what the masses had looked forward to in pinning their hopes on the DRP. Unity of action is possible in the struggle for greater trade union freedoms, higher wages, the restoration of relations with Cuba and other socialist countries. We will also work among the peasants who voted for the RP, and oppose the latifundium system together with them.

The Communist Party will support all positive changes while fighting for more advanced goals, for a program of transition to the building a new society that will include the following provisions:

— nationalizing foreign enterprises, primarily U.S. Alcoa, Gulf and

Western, Falconbridge, Rosario Mining, the oil refinery and telephone company;

— effecting a far-reaching agrarian reform, or, in other words, changing the system of land ownership;

— strengthening the public sector of the economy;

— gradually putting imports and exports under state control and diversifying them;

— nationalizing the foreign banks;

— putting the service sector under public control.

The Communist Party firmly advocates a socialist road for the Dominican Republic. It is striving to become a true vanguard organization whose mission is to step up the struggle of the workers, peasants and the poorest sections of the population and bring about a mass movement capable of frustrating attempts to impose a two-party system on our country or some other model of consolidating a dependent capitalism.

SOLIDARITY WITH THE PEOPLE OF NICARAGUA

World attention remains focused on Nicaragua. The people of the Soviet Union, the other socialist countries and all progressive forces condemn the bloody Somoza regime and its imperialist backers. There is a growing worldwide movement of support for the first demands of the people of this Central American country.

The *WMR* Commission on Problems of Latin America and the Caribbean, jointly with the Czechoslovak Committee of Solidarity with the Peoples of Africa and Asia, organized a meeting in Prague in support of the Nicaraguan people's struggle against the Somoza dictatorship. It was attended by representatives of the World Federation of Trade Unions, the International Union of Students, the International Organization of Journalists, Latin American and other foreign students studying in Czechoslovakia.

The meeting was opened by Oldrich Pospisil, Chairman of the Czechoslovak Solidarity Committee, who spoke of the Nicaraguan people's heroism in the difficult fight against the corrupt and despotic regime which, with the help of external forces, has been oppressing the country for over 42 years. The people of Czechoslovakia, he said, wholeheartedly support the just aspirations of the people of Nicaragua.

The events in Nicaragua were described by Jaime Barrios, representative of the Communist Party of El Salvador. This, he said, is a national-liberation war, a war of all the people, a national uprising against the dictatorship. The people, poorly armed, many unarmed,

are fighting the National Guard which is protecting the interests of the Somoza family and the North American monopolies. The bourgeois forces in Central America, continued Barrios, are doing their utmost to stem the uprising in order to avoid possible dangerous repercussions in their own countries. The Nicaraguan struggle has the solidarity of all the peace forces, of all whom cherish democracy and progress.

The meeting approved a statement supporting the Nicaraguan people and demanding an immediate end to the savage terror and reprisals, freedom for all political prisoners and patriots, and end to the intervention by troops of the Central American Defense Council and respect for the Nicaraguan people's right to self-determination.

V.B.

science, culture, ideology

Philosophy, world view, science

Academician *Pyotr Fedoseyev*
Vice President, USSR
Academy of Sciences

Ours is an epoch of unprecedentedly rapid, diverse and truly epochal changes. The deep-going transformations in the objective conditions of social being, man's spiritual make-up and his attitude to the surrounding reality (natural and social) and to himself are a most obvious and incontrovertible fact. The ever faster pace of social progress and the ever greater complexity of this contradictory process naturally intensify and make ever more vital the need for ideological orientation and scientific answers to the fundamental problems of social development and human cognition. The role of ideology in social life, in scientific research and in human behavior, a problem which, many advocates of de-ideologization had but recently claimed, was no longer important, is increasingly meaningful, and is being heatedly discussed by philosophers, natural scientists, psychologists, artists, sociologists and politicians. This was epitomized by the 16th World Philosophical Congress, which met in Düsseldorf, FRG, from August 27 to September 2, 1978. The fact that its main topic was 'Philosophy and Ideological Problems in Modern Science' implies recognition of the importance of ideology for scientific cognition and, consequently, for human life itself.

Biologists, mathematicians, physicists, astronomers, psychologists, linguists and economists, as well as philosophers, took an active part in the work of the Congress. While Marxist-Leninist philosophy has a long-standing tradition of cooperation between philosophers and natural scientists taking an interest in the philosophocal problems of science and elaborating these problems, it is something unprecedented and highly indicative for bourgeois philosophy to have specialists in the concrete scientific fields take part in a philosophical forum. It is an indication of the new trends in present-day scientific and philosophical cognition which help to bring out their mutual concern and enhance the ideological importance of achievements by modern matural science, while stimulating the advance of philisophy itself.

What then is ideology and what are the place and functions of philosophy and the concrete sciences in its structure?

By ideology we mean a system of generalized concepts of the world as a whole, of the natural and social processes within it and of man's attitude to the surrounding reality. The specific aspect of ideology is that it provides an integral and conscious reflection of reality passing through the prism of social and individual requirements, interests, tasks and ideals. Ideology expresses and orients human consciousness within the system of social relations and natural interconnections, and provides a set of initial values and tenets which influence the behavior and way of life of social classes, groups and individuals. The concepts and ideas which make up an ideology become a man's convictions and take an active part in shaping his attitude to all the vital phenomena and events in the world. Consequently, ideology is a substantial phenomenon in man's individual and social life. One could say that it is a unity of individual and social consciousness. Through this unity, the individual's consciousness, while retaining its characteristics, links up with social consciousness and in a sense expresses it.

An ideology always has a highly intricate structure. It includes a set of notions about various aspects of the objective world as provided by the sciences of nature and society, literature and art, morality and law. In a fantastic, twisted way the notions of the world and of man are also formed by religion. It is philosophy that elaborates the general, one could say universal, conception of the world, of its past and future. Not every philosophical, theoretically based ideology is, of course, scientific, just as not every theory is scientific. A theoretically grounded ideology becomes scientific only when it provides a more or less precise reflection of the objective reality. The chief feature of a scientific ideology is that it is not worked out in random, subjective meditation, but through a philosophical summing-up of the data provided by science and the conclusions drawn on their basis. It first became possible to produce such a theoretically grounded scientific ideology when philosophy itself became a science. Dialectical materialism, worked out by Marx and Engels, and further elaborated by Lenin and their followers, marked the point at which philosophy was transformed into a science.

Let us note here that the distinction between philosophy and ideology is a relatively recent one. The use of 'ideology' as a concept first became widespread only in the mid-19th century. The identification of philosophy and ideology reflected the actual development of social consciousness in the past, and above all the relatively embryonic state of knowledge in the various special fields. Because in that period natural science, to say nothing of social science, was still mainly

engaged in collecting and analyzing empirical material, philosophy alone was able theoretically to synthesize existing knowledge, of which ideology is the highest product.

It cannot be denied that the synthesis effected by philosophy was useful for the advance of science in many respects, but the speculative method of philosophizing ran into sharp contradiction with the requirements of science. It was becoming ever more evident that philosophy is not and cannot be a substitute for every type of knowledge. This became most obvious in the mid-19th century, when the leading branches of natural science entered upon the wide expanses of theoretical generalization. Philisophy's metaphysical claim to having the status of 'the science of sciences' was questioned, so producing the need to draw a distinction between philosophy and ideology.

What is the place and role of philosophy in the structure of ideology in the light of the above-mentioned new phenomena?

In general terms, one could say that philosophy has the function of combining all the component elements of ideology into an integral ideological system. On the one hand, philosophy, as we see it, develops by generalizing the data of modern science, identifying and specifying its problems in their light and improving and enriching the arsenal of conceptualized categories. On the other hand, philosophical categories are an embodiment of social experience, of an understanding of man's relation with the world, an interpretation of the general principles of human cognition and behavior. By producing a definite mode of viewing the world and a methodology of its cognition and development, philosophy provides the pivot, or core of the scientific ideology. But this has to be seen in the light of the whole intricate structure of the scientific ideology and the contribution to its shaping made by specialized scientific knowledge and other forms of social consciousness.

We are aware that this problem is solved in different ways by different philosophical schools. Some philosophical schools, which declare specialized scientific knowledge to be the only authentic form of cognition and the highest cultural value, assume that it is capable, by itself, of helping man to find his bearings in the world in isolation from other forms of social consciousness. Accordingly, the mathematization of science, the formalization of knowledge and the increasing use of cybernetics and modeling methods tend to reduce the importance of ideological problems and the role of philosophy within the system of scientific cognition.

Other philosophical schools, while recognizing the specifics of philosophical thinking and the importance of ideology for human activity, contrast philosophy and ideology as a whole to science. They argue that philosophy should be oriented not upon science, but

upon an intuitive experience of being, a priori values, etc., which are independent of science. Here ideology is seen as man's 'total' self-consciousness which springs from the ordering of his 'inner world' to suit his subjective convictions and voluntarist views.

Consequently, within the framework of the present-day bourgeois consciousness we find a contradictory urge to interpret philosophy either as a brand of specialized scientific knowledge, which is absolutely free of ideological content, or as a predominantly ideological form of social consciousness, as the highest type of knowledge, as the opposite of science. This constant vacillation of bourgeois thought between the extremes of scientistic and irrational thinking constitutes the basic contradiction in present-day bourgeois concepts of the relation between philosophy, science and ideology. This fact provides a peculiar demonstration of philosophy's exceptional role within a system of ideology. The development of philosophy is one of the conditions for preventing man's spiritual alienation from the diversity of social life, from the accumulated fund of knowledge and culture.

In the recent period — and this will also be seen from the proceedings of the 16th World Philosophical Congress — more active attempts have been made in bourgeois philosophical thinking to overcome the extremes of scientism and anti-scientism, the absolute antithesis between the 'scientific' and the 'ideological' standpoints. Some existentialists adopting the view of philosophical anthropology emphasize the importance of taking into account the knowledge of man which is provided by the humanities, and claim to have achieved a unity of the philosophical and the concrete-scientific approach to man. By contrast, the latest versions of the 'post-postivist' philosophy (the 'critical rationalism' of Karl Popper and his followers, and the 'historical conceptions of the theory of science' of Kuhn, Feierabend, and Lakatos) tend to evolve toward a recognition of the importance of philosophy and ideology for scientific research. Still, blanket contrasting of ideology and science, of philosophical analysis and scientific research continues to be an organic feature of present-day bourgeois philosophy.

Ideological nihilism is most pronounced in dealing with ways of developing a coherent ideology and ensuring a unity and integrality of 'scientific' and 'ideological' standpoints, of the objective and the value-judgment approaches to man's environment. The intense discussions at the Düsseldorf Congress showed that bourgeois philosophers believe that the way lies in bridging the gap between science and the unscientific attitude to reality. In the discussion of one of the central problems — the scientific and other types of rationality — bourgeois philosophers said, with rare unanimity, that

the most urgent task was to overcome the 'excessive' polarity of scientific principles and the reflective structures of such forms of social consciousness as religion and mythology.

The main point of such reasoning is not that it centers on the diversity of sources on which philosophy and ideology as a whole draw for their content. No one will deny that ideology and philosophy cannot be reduced to a more comprehension of the results of science alone. Ideology is a product of the epoch as a whole and takes shape as a result of the summing-up and comprehension not of some single aspect of human activity, but of human existence as a whole, in all the diversity of its manifestations. The main point here is the attempt to obscure the basic antithesis between science and the illusory forms of reflection of reality.

In their reports and speeches at the Congress, Marxist philosophers showed that no coherent ideology can be based on a recognition of the equivalent value of all the spiritual formations existing in culture, including mythology and mysticism. The argument that ethnography and structural linguistics have revealed some logical arrangement in mythology and other unscientific forms of consciousness, so allegedly ending the 'monopoly' of rationality by science, is untenable. For this line of reasoning unjustifiably reduces scientific rationality to formal, structural characteristics without taking account of its specific content. However, scientific rationality is characterized not only by logical consistency and inner coherence. It is above all objective, well-grounded and capable of attaining real knowledge which lends itself to critical verification and confirmation in practice. Mythological and mystical constructs have none of these properties. We think that the problem can be solved by deepening the understanding of scientific rationality instead of seeking to 'equalize' science and the fantastic forms of reflection of reality.

Let us note that ideological nihilism and the relativist approach to scientific rationality are closely connected with the advocacy of pluralism in philosophy and politics, that is, with the claim that there are a great many 'truths' and that the various political trends are all equivalent. It is safe to say that the idea of pluralism, in all its diverse expressions and aspects, constitutes a kind of core, the center round which all of bourgeois philosophical and sociopolitical thinking nowadays revolves. Many bourgeois philosophers, sociologists and ideologists regard the idea of pluralism as being just short of the latest word in science and political practice. Actually, philosophical pluralism appeared on the scene at the end of the 18th century, at the latest. At any rate, that is when the term 'pluralism' itself was introduced to designate philosophical systems claiming that the universe is based on more than two independent elements.

The attempts to apply the philosophy of pluralism in analyzing social phenomena also have a long history behind them, as will be seen from the 'multi-factor theory' of social development that was widely accepted in bourgeois social science in the second half of the 19th century.

But one must note that over the past several years some new aspects have appeared in this shop-worn conception. One must note, first of all, that in our day the methodology of pluralism is being shaped as a general ideological proposition, for pluralism now claims the status of a universal doctrine covering every main sphere of human existence, the structure of the universe, the process of scientific cognition, and social life in all its diversity. As a result, philosophical pluralism is padded out with concepts of political, ideological, methodological and other brands of pluralism.

The evolution of 'critical rationalism,' a philosophical system which most fully expresses the specific features of the present stage in the development of pluralist conceptions, is indicative in this respect. It took shape as the logic and methodology of science (chiefly in Popper's writings) and at the present stage of its development is being converted into an ideological system which applies to the sphere of social life, politics, ethics, etc. It has a substantial role to play in the ideological and political life of the leading bourgeois and social-reformist parties in some countries, above all the FRG, Britain, Austria and the Scandinavian countries. Fully in accord with the critico-rationalist propositions, some prominent leaders of the SDPG, the Labour Party and others insist that the basic task of social development at the present stage is to set up an 'open society' which is motivated by a faith in the strength of contest and competition, and in freedom which is born of confrontation and competition between human aspirations, requirements, goals and ideals.

Thus, in 1975 a collection entitled *Critical Rationalism and Social-Democracy* was put out by a group of social-democratic ideologists and political leaders and created a stir. It urges broader and more fundamental use of the philosophy of 'critical rationalism' as the theoretico-methodological back-up for the social-democratic policy of reformism and ideological confrontation with Marxism within social-democracy itself.

A lively discussion was sparked off by the attempts in the collection to use 'critical rationalism' to end the 'theoretical groundlessness' of social-democratic policy. A second volume of the collection appeared in 1976, and a third is to express the publishers' attitude to the discussion and to end it with a relevant conclusion. But one thing is already quite clear: although 'critical rationalism' has yet to be

adopted as the official philosophy of social-democracy it is already a leading element within its theoretical arsenal.

Second, in contrast to the turn-of-the-century philosophical pluralism, which centered on the problem of the structure of the universe, present-day pluralism brings to the fore the methodological and epistemological interpretations of the ideas of pluralism, presented as the only philosophy and methodology in accord with the spirit of modern science, which has allegedly advanced chiefly through the struggle and competition of diverse, incompatible and mutually critical and negating approaches and ideas. Accordingly, there is a call for 'tolerance' in the theory of cognition and methodology. First, the development of science is subjected to a radically sceptical interpretation, depicted as movement from error to error, and this followed by a call for similar 'tolerance' in all the other fields and spheres of human activity, and their orientation upon scientific rationality that is interpreted in the spirit of extreme relativism.

In the past, metaphysical philosophers set up all opposites as absolutes, while present-day metaphysicists are prepared to gloss over any distinctions between any opposites, including the antithesis between truth and error. This trend was first noted by Lenin in his *Materialism and Empirio-Criticism*, and it is characteristic of the present stage in the development of most leading schools and trends of bourgeois philosophy. We have already seen how it is expressed in the formulation and solution of problems like the relation between science and ideology, and between the scientific and other types of rationality.

In methodological terms, the basic flaw of present-day pluralistic conceptions, including 'critical rationalism,' is that the relative aspect of the development of scientific knowledge tends to be absolutized. This is most frequently based on the erroneous identification of the concepts of 'truth' and 'absolute truth.'

Third, one must note the steadily growing anti-Marxist and anti-socialist tenor of pluralist conceptions. At the Düsseldorf Congress, bourgeois ideologists clearly strove to present pluralism as the global basis of social life, the chief criterion of democracy and the reference point in tackling present-day social problems.

One will easily realize that 'pluralist democracy' is a screen for an attempt to foist on socialist society the socio-political structures of capitalism, with all its characteristic attributes, including irreconcilable class, political and ideological struggle. The mechanism of 'political pluralism,' which in capitalist society is objectively based on class antagonisms and which is designed to cover up the control of society by big business, has no basis at all in the effort to transfer it to

a fundamentally different, socialist system, which has got rid of the 'pluralism' of property in the means of production, and whose classes and social groups have achieved a community of interests and established a solid alliance.

The attempts to interpret the development of Marxist-Leninist theory and spiritual life under socialism in the light of the pluralist methodology are equally futile. Socialism, once a utopia and now a science, calls for a scientific approach. There can be no division of the sciences on the geographical principle; science is international in nature and conclusions. Science does not allow of fundamentally different answers to a problem it has already solved. There is only one scientific truth, while there could be any number of false and incorrect views of one and the same problem.

While affirming the fundamental unity of scientific knowledge, we do not at all ignore the diversity of scientific approaches and methods in tackling concrete problems, or the role of discussion and criticism in the development of science. What we do object to is the idea of the diversity of ways and means in tackling problems which arise in cognition and social life being used as a cover for smuggling in concepts of the development of cognition and social life which are incompatible with science, eroding the objective basis of scientific rationality, and opening up channels for the penetration into science and practical political activity of mysticism, religion, mythology and reactionary trends.

This conclusion is in complete accord with modern science, notably, with natural science. The latest advances in astronomy, physics, biology and other sciences have fortified the positions of the scientific world view and have enriched it with new propositions. Highly indicative in this context was the discussion at the Düsseldorf Congress of the philosophical problems of cosmology, neurophysiology and biology, that is, the fields of natural science which have developed most rapidly over the past several decades. The collapse of the idea of a static and immutable universe, and the adoption of the idea of a non-stationary, developing universe, the cracking of the genetic code, the artificial synthesis of the gene, which makes it possible to control heredity, the penetration into the deep-seated neurophysiological mechanism governing the functioning of the brain and human consciousness — those are only some of the key advances in the natural sciences which are of tremendous ideological importance, because, directly or indirectly, they bear on the most general concepts of the substance of the world and man, and of the perspectives of social progress. Those are the issues on which most discussions have been held and varying, frequently mutually exclusive standpoints expressed.

The attempts of some bourgeois philosophers to contrast modern scientific achievements and Marxist-Leninist methodology, and to prove that dialectical materialism is incapable of meeting the challenge of modern natural science, are a resounding fiasco. The results of the discussion of the theme 'Modern Biology and Its Challenge to Philosophy' are especially indicative in this respect. There is no doubt at all that the basic topic for discussion at the plenary and working-group sessions was biased. Formulated under the influence of the ideas propounded by the well-known French biologist Jacques Monod, whose views had been actively spread in the West, it was designed to stress that biology allegedly refutes some of the 'traditional' philosophical notions. Because in his loudly advertised book Monod dealt mainly with the dialetico-materialist conception of the interconnection between contingency and necessity in the processes of development, the idea was clearly to stage a kind of trial: 'Modern Biology versus Dialectical Materialism.' However, there was little support in the discussions at the Congress for the views of Monod's followers who absolutized the role of contingency in the origination of life. In considering the relation between necessity and contingency in the origination of life, modern biologists — and not only those who take the dialectico-materialist view — held that the transition from inanimate to animate nature is a law-governed process which occurs inevitably in definite conditions.

Being unable to object in substance to the dialectico-materialist conceptions of the origin of life and its evolution as a unity and interaction of contingency and necessity, the opponents of dialectics resorted to unargumented and highly abstract 'criticism' of dialectics and the Marxist-Leninist philosophy as a whole, and in some cases engaged in biased subterfuges. Their keynote allegation was that dialectics has no role to play in the advance of science to new achievements, that it has only an ideological function and is set up to judge scientific truths.

Marxist philosophers and biologists refuted these attacks by showing the diverse functions of dialectics in modern science and socio-political practice. Materialist dialectics lays no claims to solving the specific problems to the concrete sciences, but it does develop in close contact with the latter, and its concepts and categories show the logic of scientific cognition, a profoundly dialectical process which helps to elaborate and substantiate fundamentally new concepts and ideas. Dialectics takes part in elaborating the strategy of scientific quest, especially in new fields of nature and society which were earlier beyond the reach of science or were not adequately studied, and so joins in the process of hammering out new knowledge in science, helping to evaluate the extent to which new facts are funda-

mental and to put forward, verify and substantiate various hypotheses. Let us recall that many fundamental concepts in modern science were either put forward or emerged under the direct influence of dialectics (the ideas of integrality, system, structure, etc.).

Materialist dialectics plays the leading role not only in the ideological comprehension of the results obtained by natural science, but also in developing its contacts with humanitarian knowledge, with social problems. Finally, the growing role of science in the life of society, which has made obvious the organic connection between scientific progress and social factors and conditions, and the problem of man, brings out the value-regulative functions of philosophy. This makes the creation of a truly humanistic climate, ruling out any possibility of using scientific achievements to harm man, the most important ideological function of philosophy, and it cannot ignore this demand.

In this context, primary importance now attaches to the problem of maintaining peace and the security of nations, because the use of the achievements of the scientific and technical revolution for military purposes could jeopardize the basis of civilization and the future of man himself. Peaceful coexistence of states has become a categorical imperative. The problems of peace and security loom ever larger before scientists and philosophers. Nor was the Düsseldorf Congress any exception in this respect. A 'Science and Peace' colloquium was held within its framework and was attended by well-known natural scientists, philosophers and sociologists. Despite their different political and ideological convictions, they were unanimous in that peace and friendship among nations are at the top of the hierarchy of human values. A resolution adopted by the participants in the colloquium said that: 'Peace all over the world is the supreme aim of all men, regardless of their political, religious and ideological convictions.'

The problems of peace were also central to the dialogue between Marxists and Christians held at the Congress. A meeting of the General Assembly of the International Federation of Societies of Philosophy adopted a special resolution on the need for philosophical societies to support the movement for peace and détente.

Alongside the problems of peace and security, other important socio-political problems command increasing attention. These are above all problems in the scientific and technical revolution, the environment, the rational use of nature, the problem of energy and many others. Experience shows that the attempts to bring out their substance and formulate an effective strategy for their solution without taking into account the philosophico-ideological approach and the socio-political aspects, solely with the use of specialist scientific methods of global modelling, have failed. This also applies to the well-known reports issued by the Club of Rome. The point is that the

methods of the particular sciences alone cannot be used to establish the goals for defining a global modelling strategy, because these goals can be determined only by the scientific world view and must be set up as scientifically comprehended social goals. Characteristically, the latest reports of the Club of Rome show a growing tendency to reckon with social factors.

Bourgeois ill-wishers frequently say that the Marxist-Leninist theory of social development, which emphasizes the interconnection of social, scientific and technical progress, 'lacks criticism' because it allegedly fails to take into account the social consequences of scientific and technical progress and tends to overestimate the potentialities for conscious and balanced control of scientific and technical development for the benefit of man. The following alternative was formulated at the Düsseldorf Congress: either planned and controlled scientific and technical progress and the consequent 'curbs' on freedom, or the values of liberal democracy and pluralism and uncontrollable development of science and technology.

Marxist philosophers criticized this thesis, emphasizing that the problem of controlling scientific and technical progress can be solved, and that our revolutionary optimism does not spring from any blind faith in technical progress, but from a sober view of the substance of the present epoch, with its rich historical experience of mankind's development, above all the socialist countries' experience in governing the processes of the scientific and technical revolution. This optimism requires that one should above all see in present-day reality the contradictions and the problems that arise, to regard it critically, that is from the standpoint of the prospects of its advance. This optimism is the opposite of abstract optimism which loses touch with the needs and antagonisms of the present and ignores them.

While standing up for our view of the key problems of present-day world development and the fundamental role of philosophy in working out a coherent world view, we advocate an all-round dialogue with those who represent non-Marxist trends and conceptions, but who are sincerely concerned with the problems facing man today and in the future, with the future of world peace. That is also our approach to the growing role and responsibility of philosophers and all other scientists in giving intellectual backing to the positive changes taking place in the world, in putting forward and substantiating political, cultural and ethical values which help to consolidate peace and security, expand scientific, technical and cultural cooperation, avert the danger of an ecological crisis, and help to solve the other vital problems of our day. Marxist philosophers are taking an active part in this worldwide intellectual and social movement.

---

exchange of views

The agrarian question and the peasantry's role in developing countries

In June 1978 an international theoretical conference on 'The Agrarian Question and the Peasantry's Role at the Present Stage of the National-Liberation Revolution' was held in Ulan Bator, Mongolia, by *World Marxist Review* jointly with the Central Committee of the Mongolian People's Revolutionary Party. It was attended by representatives of Communist and Workers' parties of Algeria, Honduras, India, Indonesia, Iran, Iraq, Jordan, the Philippines, Senegal, South Africa, Sri Lanka, Sudan, Syria, and Turkey; by representatives of revolutionary-democratic parties and organizations of Angola, Congo, Ethiopia, Guinea, and Madagascar; by scientists from Bulgaria, Cuba, Czechoslovakia, the GDR, Hungary, Mongolia, Poland, Rumania, USSR and Vietnam, and a delegation from *WMR*.

Various aspects of the following problems were examined:

— socio-economic structures in the agriculture of developing countries and the role of the peasantry as a socio-political force;

— ways of dealing with the agrarian problem, including the experience of the socialist countries and the practice of socialism- and capitalism-oriented countries;

— the alliance of the working class and the peasantry within a national and an international framework as a key factor of success for the national-liberation movement and the struggle for a progressive solution of the agrarian problem.

The Conference was opened by *C. Sereaeter*, department head of the MPRP Central Committee. An introductory speech was delivered by Academician *N. Zhagvaral*, member of the Political Bureau and Secretary of the MPRP CC, who read out a message of greetings from *Yumzhagiin Tsedenbal*, First Secretary of the MPRP Central Committee and Chairman of the Presidium of the People's Great Khural of the MPR. *Ivan Frolov*, Corresponding member of the USSR Academy of Sciences, *WMR* Executive Editor, spoke for the journal.

Below is a review of the reports at the Conference. The full texts are being published in a separate volume.

Methodology of analysis

The main content of the present stage of the national-liberation movement is the struggle against imperialism, and for socio-economic progress, including solution of the agrarian problem, the key one for the developing countries. The national-liberation movement, one of the main streams of the world revolutionary process, is above all a peasant movement. Lenin emphasized that 'in spite of the fact that the masses of toilers — the peasants in the colonial countries — are still backward, they will play a very important revolutionary part in the coming phases of the world revolution' *(Coll. Works,* Vol 32, p. 482). This scientific prediction has been fully borne out. There is no doubt that without the struggle to solve the agrarian problem the national-liberation movement could not have become what it is today, an embodiment of the revolutionary aspirations of millions upon millions of men and women in the countries of the former colonial periphery of imperialism.

The agrarian question is now a central one in the socio-economic development of the newly liberated countries of Asia, Africa and Latin America, said *Zhagvaral*. On its correct solution depend the pace of economic growth and the very possibility of expanded reproduction for building up and strengthening an independent economy. The solution of cardinal problems in the political, social and cultural development of the newly independent states is also organically connected with the agrarian sphere. In short, on the solution of the agrarian and peasant problem ultimately depends the destiny of hundreds of millions of people on the globe. The speaker further emphasized that Lenin's great ideas on the agrarian and peasant question, including his brilliant cooperative plan for a socialist reconstruction of agriculture, have been proved correct by the experience of world socialism. The agrarian policy and the historical experience of the communist and workers' parties of the fraternal socialist countries in solving the agrarian and peasant question are of vital importance for all countries and peoples fighting for social progress.

Frolov criticized bourgeois, notably Malthusian and neo-Malthusian, concepts designed to disorient the national-liberation struggle and obscure the chief cause of the agrarian crisis in the developing countries, namely, imperialist exploitation.

Modern science has refuted the allegations concerning some 'over-population' of the globe as being the chief cause of the food crisis, and has shown that only about 11 per cent of the total land area of the globe (roughly 1.5 billion hectares) is now being used for farming, and that only 41 per cent of the farm land fit for cropping is being worked. With the present techniques, some 70 per cent (or about 10.5 billion hectares) of the land area could be used for farming,

and efficient use of this vast territory could help feed billions of men and women from farming alone, provided that there is an ever more intensive drive against deserts, salty soils and permafrost, to say nothing of the fact that, if correctly used, the flora and fauna of the world ocean could yield a tremendous volume of foodstuffs in the future.

Another Malthusian argument — the 'law of diminishing returns' — turns out to be just as untenable. According to this 'law' any additional investment of labor and capital into land allegedly brings diminishing returns. The impoverishment of the soil which results from plunderous farming based on private-property relations is presented by the Malthusians as an 'absolute law' of nature.

Karl Marx said that capitalist production helps to develop the techniques and combination of the social process of production only in a way which undermines the sources of all wealth, namely labor and land. But, Lenin wrote, those who advocate the 'universal law of diminishing returns' fail to take into account what is most important, namely, the technical level and the state of the productive forces. Suffice it to say that just now farming yields only 3-4 per cent of the volume it could yield with efficient use of modern science and technology in all countries. This would result in a sharp growth of agricultural production, crop yields and animal productivity. But this calls for corresponding socio-economic structures, closely tied in with the overall level of a country's economic, scientific, technical and other development. Otherwise scientific and technical calculations and projections may be totally utopian. Consider, for instance, the results and consequences of the 'green revolution.' Let us recall that it brought about a marked growth, for instance, in the production of wheat in many countries of Europe and North America. But despite the exceptionally optimistic forecasts concerning countries in Asia, Africa and Latin America, with an eye to the purely scientific and technical potentialities of the new strains of wheat, the 'miracle rice,' new farming technology, etc., the results for them in many cases were very modest. At best, the growth of farm output corresponded, for instance, in a number of Asian countries, to the growth of population, so that the average consumption per head remains on a level that is below the necessary minimum. Some 335 million men and women still live below the poverty line.

This situation is also characteristic for the 400 million people in Africa, where, according to the FAO, the average increase in the production of foodstuffs from 1971 to 1975 came to only 0.5 per cent a year, so that, in view of the rapid population growth, foodstuff production per head declined at 2.1 per cent a year. In the first half of the 70s, the African countries tripled their food imports. Indeed, the

'green revolution' has not yet reached the bulk of the population in Africa, and it will hardly change the situation until a well-developed infrastructure and social changes are effected to make possible the use of scientific and technical achievements.

In Marxist-Leninist science, *V. Rastyannikov* (USSR) said, new concepts and new approaches have been worked out in the past few years to an understanding of the economy and its movement in the developing countries. First of all, there is the concept of multi-sectoral structure and interaction among the individual sectors, and also the concept of dependent capitalist development. Taken together, these seem to help in understanding the basic processes at work in the agrarian sphere.

Indeed, in agriculture various systems of productive forces are combined or stratified upon each other. There are, first of all, the pre-industrial productive forces largely involving natural factors of labor. There are also the industrial productive forces which develop in separate areas of the agricultural economy within the framework of the 'green revolution.'

The formation of an industrial system of productive forces means that whereas from the standpoint of reproduction agriculture had earlier been a closed, self-regulating, sector of the national economy, it now becomes an open sector, subject to external influences and connected with other sectors by means of commodity relations. At this point, the impact of external factors on the agrarian sphere becomes a constant and indispensable element of agricultural development.

Thus, the food problem is an integral part of the worldwide processes of socio-economic development. The gap between the growing food requirements and the level of local production tends to widen.

The development of qualitatively new systems of food production is increasingly determined by the advance of the scientific and technical revolution. However, the bulk of the scientific and technical potential of the non-socialist world is concentrated in the developed capitalist countries (98 per cent, as compared with the 2 per cent in the developing countries).

Consequently, there is ever greater internationalization both of the conditions which generate the food crisis, and of the material prerequisites by means of which this crisis can be eliminated. Because it is the centers of world capitalism that are responsible for the state of food supply for the developing countries, the latter's struggle for a new economic order within the world capitalist economy becomes a struggle for one of the most important long-term means of solving the food problem. In particular, this struggle is aimed to secure better distribution of resources in the non-socialist world in favor of the

developing countries. At the same time, a solution of the food problem within its social parameters depends on the extent to which these countries' ruling circles pursue a policy helping to redistribute the national income in favor of the deprived groups of the population which make up the bulk of the people.

In terms of social relations, the multi-sectoral economy concept implies above all the identification of the leading or systems-forming sector, the capitalist sector in most developing countries in the recent period. But one must also see that when an economy is capitalism-oriented, it is the centers of the world capitalist economy that have the crucial impact on its sectoral complexes. So the pre-industrial state of the productive forces and relations of production in developing countries should be regarded not only as a relic of the past, but also as a product of the working of the laws governing the development of world capitalism. The operation of these laws has conserved the undeveloped social forms which are anomalous manifestations of world capital. This helps to explain the situation now taking shape in the developing countries' economy, where we find various versions of the so-called conservative or incomplete form of capital.

The international aspects of the agrarian question, especially those relating to the food problem, were also dealt with by *Naim Ashhab* (Jordan), *Samba Thiam* (Senegal) and *Sandor Suranyi* (Hungary). In contrast to the past, Ashhab said, when the colonial and dependent countries were used by the metropolitan countries as a source for meeting their requirements, including food requirements, the former are now forced to import food from the developed capitalist countries. The imperialist powers, particularly the United States, which heads the list of food-exporting countries, have begun to turn this export into a political instrument for putting pressure on the emergent countries.

Thiam noted the paradoxical and dramatic nature of a situation in which the African countries, for instance, continue to turn out farm produce for the world capitalist market while being forced to import the bulk of their foodstuffs. This state of affairs signifies total dependence on the slightest changes on the world market outlook, and a heavy burden on the foreign-trade balance, markedly reducing the results of the efforts aimed to develop these countries and improve the living conditions of the working sections of the population, the peasantry in the first place.

When bourgeois writers, Suranyi said, try to explain the problems and backwardness of the developing countries, they put the whole blame on the 'population explosion.' Rapid population growth certainly has an unfavorable effect on economic development, but that is only one of the causes for the sharpening of the food problem.

Basically this problem stems from the low level of agricultural production, which has, moreover, a tendency to shrink.

For many developing countries, farm exports still constitute the basic source of earnings. However, their growth has markedly lagged behind the growth of world trade as a whole. The share of the developing countries' farm produce in world exports dropped from 57 per cent in 1955 to 30 per cent in the 70s. Despite all their national and international efforts, their farm produce had to face growing competition from synthetic materials, the very much higher productivity in the developed capitalist countries and sizable trade obstacles.

The agrarian question and the basic characteristics of the peasantry in developing countries, according to *Horst Grienig* (GDR), can be understood only in the context of their subordination to the world capitalist economy as dependent and exploited elements. The backwardness of agriculture is a necessary manifestation of the operation of the law governing capitalist accumulation on a world scale. Their agriculture has been bled, socio-economic progress blocked, and obsolete structures 'petrified' by the constant one-way extraction of the surplus-product by imperialism and the oligarchy connected with it. The system of imperialist dependence and exploitation has had the same effect on the internal socio-economic development of agriculture as usurer's capital, of which Marx said that it 'impoverishes the mode of production, paralyzes the productive forces instead of developing them, and at the same time perpetuates the miserable conditions in which the social productivity of labor is not developed at the expense of labor itself, as in the capitalist mode of production.' *(Capital,* Vol. III, p. 582*)*.

The exploitation of pre- and early-capitalist sectors of the economy by the finance capital of the imperialist states and the oligarchy connected with it has accelerated the expropriation of the actual producers, separating them from the means of production and leading to the emergence of a whole army of peasant producers completely or almost completely deprived of property. But a backward economic basis does not create or creates only to an insignificant extent the conditions necessary for transforming these potential wage-workers into a proletariat. The bulk of the rural population in the countries of Asia and Africa are peasants who are exploited by pre-capitalist or early-capitalist oligarchies, international finance capital and the state, peasants who are impoverished, who continue in their traditional way of life, who have tiny or small plots of land, such as parcelholders, indentured tenants, share-croppers and members of communes (mainly in Africa south of the Sahara) or de-classed and pauperized peasant sections.

When considering the backwardness of agriculture in developing countries, speakers were unanimous in noting that this meant an extremely low general level of development of the productive forces in that sector of the economy, where the bulk of the active population is still to be found. This backwardness is expressed in a low level of social labor productivity and makes for the relatively small volume of agricultural produce and its slow growth rate. This means a widening gap between the food requirements of a rapidly growing population and the raw-material requirements of a developing industry, on the one hand, and the level of agricultural production, on the other. The social-class causes of the backwardness consist in the continued prevalence of various forms and transitional types of pre-capitalist relations of production. The overall result is the extreme poverty of the overwhelming majority of the peasants, the far from complete use of the labor potential of the countryside and agrarian over-population.

Socialist countries' experience

When then are the ways and means for solving the agrarian problem? It is generally known that *technical* and *economic* modernization is a necessary condition for overcoming the backwardness of agriculture. But it is effective only when combined with a radical reconstruction of agrarian relations, with a revolutionary *social* modernization which includes the elimination of private landed estates and the establishment of various forms for cooperating peasant labor with the support of the state. Past and present history provide convincing examples of such agrarian transformations.

The radical solution of the agrarian problem in the Central Asian Republics of the Soviet Union has gone through two stages. At the first, anti-feudal, democratic transformations were put through to abolish pre-capitalist forms of peasant exploitation. This stage was of different duration depending on the concrete conditions, but its general feature is realization of the principle: 'land (stock) to those who till (breed) it.'

The bourgeois-democratic content of this principle also basically has a definite anti-capitalist content, and its implementation has not only helped to do away with the purely feudal property, but also to undermine the positions of those landowners who combined feudal and capitalist methods of exploitation (wage-labor). Thus, historically the first stage paved the way for the second, and included anti-capitalist measures, especially since the juridical basis of the transformations was provided by the nationalization of land, with state farms set up on the large confiscated estates.

The second stage had a mainly socialist content and consisted in the organization and strengthening of the social, collective forms of farming

in accordance with Lenin's cooperative plan and in the light of the concrete conditions in this or that republic. This not only helped to eradicate the private-property exploitation of the rural poor, but was also a necessary social basis for the technical modernization of agricultural production.

It should be emphasized that the socialist solution of the agrarian question in the Soviet Union's Central Asian Republics was effected with the tremendous and crucial assistance of the Russian working class and the whole people under the Bolshevik Party's leadership. This was a vivid expression of Lenin's principles of international brotherhood and mutual assistance among the peoples of the world's first socialist state. The radical agrarian transformations in the once-backward and exploited outskirts of the tsarist empire became an inspiring example for the liberated countries of Asia and Africa, and above all for those taking the socialist road.

Mongolia's experience in the socialist reconstruction of its agriculture was presented in detail by *N. Zhagvaral*, *A. Minis*, *H. Dashdondov* and other Mongolian comrades.

Before the people's revolution of 1921, Mongolia was one of the most backward countries in Asia, said Zhagvaral. Feudal and serf relations prevailed. Indeed, the old Mongolia had no other sector of the economy except extensive nomad cattle-breeding. Virtually the whole of the population was illiterate and the peasants lived in ignorance. The working people were savagely exploited by foreign traders and money-lenders and by local feudals. All this was ended by the people's revolution, which won out under the direct influence of the Great October Revolution.

Among the important tasks tackled at the democratic stage of the revolution (1921-1940) were the unfettering of the peasants, nationalization of land, elimination of feudal property, transfer of the cattle held by lay feudal lords and monks to the toiling peasants, gradual transformation of the subsistance economy into a petty-commodity economy through support of the peasants' initiative with simultaneous restrictions on the capitalist elements, establishment of primary forms of cooperation, etc.

Following these democratic transformations, our party faced the task of gradually restructuring agriculture on socialist lines in accordance with Lenin's cooperative plan. The cooperation of the individual farms went through several stages and was completed in the late 50s.

That was nearly 20 years ago. The cooperatives have developed into large-scale socialist collective farms. In place of the hundreds of thousands of small private farms there are now 257 large cooperatives and 57 state farms, which turn out the bulk of the marketable produce.

With the help of the Soviet Union and other fraternal socialist countries, agricultural production was provided with a modern material and technical basis, and today all the basic operations involve the use of modern machinery. From 1959 to 1975, the output of marketable farm produce increased by 249 per cent. Annual average wages per worker in the cooperatives increased 5.3-fold. Under the Model Rules of these cooperatives their members are entitled to have up to 50 head of cattle on their personal farms in the north, and up to 75 head in the south, apart from pigs and poultry. The figures testify to the tremendous advantages of large-scale socialist farms over small private farms. It is the cooperative system that has opened the floodgates for the development of agriculture and for raising the cultural and technical level and the material welfare of the rural population.

With the establishment of the cooperative system in our country, Dashdondov said, important changes have taken place in the structure of agricultural production. In the past, cattle-breeding was virtually the only sector of the economy and the sole occupation of the people, but the upturning of the virgin lands has led to a marked development of cropping, which now accounts for over 20 per cent of gross farm output. The development of cropping has enabled the country to supply itself with cereals from its own production, to grow vegetables and feed crops.

Minis drew attention to the specifics of the agrarian transformations in Mongolia which where determined by the peculiar socio-economic relations. In countries where cropping was the basic sector of agriculture, the agrarian problem was tackled through a restructuring of land relations. In Mongolia, however, this problem was democratically solved through nationalization of land and of cattle, both of which had been owned by the feudals.

B. Shirendyb characterized the Mongolian peasnatry as the chief motive force of the 1921 people's revolution, the Mongolian People's Revolutionary Party, guided by the theory of the class struggle in the countryside, pursued a differentiated policy with respect to the peasants: a policy of supporting the poor, relying upon the middle peasants and curbing the exploiting elements. This was an important condition for paving the way for transition to socialism.

M. Sanzhdorzh spoke on the specific features and evolution of the Mongolian peasants' revolutionary-democratic power. In contrast to the countries now taking the socialist orientation, where power belongs to a bloc of democratic forces — workers, peasants, the petty bourgeoisie and a section of the middle bourgeoisie, all of whom act together against imperialism and the reactionary forces — the peasantry was the class basis of the revolutionary-democratic dictatorship in Mongolia, because it had no working class or national bourgeoisie.

Before the emergence of a national working class, the alliance of the proletariat and the peasantry was effected within an international framework, as an alliance of the working class of Russian and the Mongolian peasantry. Thanks to this alliance, the popular power in Mongolia was a type of revolutionary-democratic dictatorship of the proletariat and the peasantry which essentially corresponded to the democratic dictatorship of the revolutionary people, of which Lenin repeatedly spoke (see Vol. 9, p. 56; Vol. 31, pp. 352-355).

S. Bira dealt with the important question of transforming the peasantry's spiritual outlook in the epoch of transition to socialism.

The people's revolution opened the floodgates for the Mongolian peasants' all-round spiritual renewal. The cooperation of agriculture on socialist principles marked a most profound change in every sphere of the cattle-breeders' life. The social roots of man's exploitation of man disappeared for ever. The class of individual small holders gave way to a totally new class, the class of cooperated peasantry living on the principles of socialism. There was a steady improvement in the peasants' cultural and everyday conditions and the backward forms of nomad living receded into the past. Every farming cooperative has a school, a medical center, a veterinary center, a club, an electric-power station, a radio-broadcasting unit, a bath-house, a hotel, a nursery school, cultural and service facilities. Illiteracy has been wiped out.

The shaping of the socialist way of life has also had an effect on the Mongolian peasants' attitude to work. They now take a profoundly conscious attitude to the fulfillment to their social duties and observance of labor discipline, full use of working hours, an urge to raise labor productivity and labor skills, massive participation in socialist emulation, the movement for socialist work, etc.

The participants in the Conference met with great interest the reports which summed up the experience of agrarian transformations in other socialist countries.

Van Tao (Vietnam) said that the voluntary cooperation of peasants in North Vietnam was carried out and completed in the main from 1958 to 1960. By the time of the War of Resistance against the U.S. aggressors, Vietnam's rural areas already had vast production protentialities and successfully played the role of a reliable base. Thanks to the victory of socialism in North Vietnam, our peasantry was able to render assistance to the peasants in the South of the country right after liberation. In the recent period, there has been marked progress in equipping agriculture with machinery, and this is having a beneficial effect on labor productivity. The development of the productive forces is also having an influence on the relations of production and on the raising of living standards.

Speakers at the conference stressed the socialist nature of the deep agrarian transformations in the Democratic People's Republic of Korea, which have radically changed the relations of production in the countryside, and helped to boost farm output and raise living standards.

Positive changes also occurred in the PRC's rural areas in the early years after its establishment, but the Chinese leaders' subsequent adventurist line has led to a marked degradation of agriculture.

Our party's agrarian policy, said *Jorge Luis Canela* (Cuba), proceeds from the need to raise the productivity of agriculture through better provision of machinery for the peasants, efficient use of resources and improvement of technical training. In the past several years, the production of sugar cane, tobacco, fruit and vegetables has been markedly increased. The peasants are ever more deeply aware of the need to switch to socialist forms of economic activity so as to boost labor producitivity. The key element in transforming the socio-economic structures is scrupulous observance of the principle of voluntary entry into cooperative or state farms. This great task is being carried out through intensive political and explanatory work to show the advantages of the socialist way. Here, as in other fields of development, we have been receiving friendly assistance from the fraternal socialist countries.

The PUWP's agrarian policy, said *Kazimierz Nabradalik* (Poland), springs from the principles of Marxism-Leninism and the general uniformities of socialist construction, and the Leninist strategy of the worker-peasant alliance. The party's goal is to build socialism in the countryside and establish a highly productive agriculture capable of meeting the people's growing requirements.

The speaker described the shaping of the socialist structures in Poland's agriculture, the principles on which cooperation is organized in marketing, the agricultural groups, producers' cooperatives and state farms. When guiding the socialist transformations in the countryside, the PUWP makes extensive use of the experience of the Soviet Union and the other fraternal countries and consistently implements its program for building developed socialism.

In Rumania's agriculture, the revolutionary transformation began with an agrarian reform in 1945, *Ilie Manoiu* (Rumania) said. This eliminated the class of big landowners, from whom 2.3 million hectares of farm land was expropriated without compensation, and feudal relations in the countryside. Upon the completion of the anti-feudal reform, a program for the socialist transformation of agriculture was worked out in March 1949. It was put through within 13 years, i.e. by 1962. In that period, the Rumanian countryside travelled the long way from small-scale private property to large-scale socialist property.

Socialist agriculture now accounts for 90.58 per cent of the farm land, of which 60.53 per cent is in the cooperative sector, and 30.05 per cent in the state sector. In that period, agricultural output grew much faster than the country's population.

One of the most important elements of the RCP's agrarian policy is the steady rise in the peasantry's living standards. On the whole, this policy ensures constant development and consolidation of socialist relations of production in the countryside, strengthening of the alliance between the two friendly classes — the working class and the cooperated peasantry — development of close ties between industry and agriculture, and between state agricultural enterprises and producers' cooperatives.

Cooperation does not in itself ensure radical changes in agriculture, said *Jaroslava Dostalova* (Czechoslovakia), and this will be seen from the history of the cooperative movement in bourgeois Czechoslovakia.

The existence of a revolutionary political power is the basis of success in any agrarian reform In Czechoslovakia, the victory of the working people over the bourgeoisie in February 1948 provided the real prerequisites for the progressive restructuring of agriculture through a creative application of Lenin's cooperative plan.

The socialist development of our agriculture led to radical changes in the dynamics, level and character of agricultural production, and in the peasants' working conditions and living standards. Since 1948, gross agricultural output has doubled while the farm-land area was reduced and the number of persons employed in agriculture substantially cut (by 60 per cent). Labor productivity increased more than four-fold. The productive forces have been vastly increased. The harvesting of cereals has been fully mechanized, and that of other crops, in the main; large-scale industrial technologies are being introduced in stock-breeding. Czechoslovakia was among the first countries in the world to do away with the discrepancy of working people's earnings in agriculture and in other sectors of the economy. The social and juridical status of cooperated peasants and of workers at state enterprises is being evened out.

These results have been attained in a historically short period and they show very well the strength and vitality of the Marxist-Leninist agrarian theory and the advantages of the socialist system of production in agriculture. They can serve as a source of experience for developing countries taking the non-capitalist way.

The basic elements of the experience of agrarian transformations in the Republics of the Soviet East and in the socialist-community countries are undoubtedly of practical importance for the young states, many participants in the conference said. Thus, *Bailo Diallo*

(Guinea) considered the policy of collectivization in Guinea's agriculture and stressed that a great deal here has been taken from the experience of socialist countries like Mongolia and Vietnam, where despite the initial low level of development of the productive forces it was possible gradually to advance to socialist collectivization with the use not only of modern means of production, but also of traditional and semi-traditional implements.

We have been making a thorough study and popularizing the achievements of the socialist countries, notably the Soviet Union, in the radical solution of the agrarian problem, said *N. Amir* (Iran). The deep-going agrarian transformations in the socialist-community countries, and especially in the USSR's Asian Republics, which are our neighbors, are having a tremendous influence on Iranian peasants. We have worked hard to spread information about the achievements of existing socialism. We have also studied the experience of countries taking the non-capitalist way of development. All of this helps us to enrich and deepen our own agrarian program and to work for a further strengthening of the alliance of the proletariat and the peasantry within the broad stream of the national-liberation movement.

Of course, the great diversity of natural, socio-economic and political conditions in the developing countries inevitably has an effect on the concrete forms, methods, depth, scope and sequences of measures in restructuring agriculture. Problems like the nationalization of land, the duration of the period in which small-commodity production is maintained, the pace and methods of peasant cooperation, the establishment of state agriculture enterprises, the possibility of using communal traditions for anti-capitalist purposes, and so on, are tackled depending on the specific conditions. Still, the general line of agrarian transformations in the socialist countries fully meets the objective requirements of socio-economic and technical progress in the African, Asian and Latin American countryside. There is good reason why the reforms being put through in the socialism-oriented countries tend on the whole to run in a similar direction, although in some of these agrarian policies are marked by some inconsistency which springs from the political-class nature of the state power.

Transformations in socialism-oriented countries

In discussing these transformations speakers from socialism-oriented countries dealt with a wide range of economic, social and political problems.

Syria, *Ramo Sheikho* said, is a classical example of half-way agrarian reform. The agricultural structure resulting from the anti-feudal reform has promoted the development of capitalist relations. Many of the generously-compensated landlords have become capitalists.

Much of the land alienated from the big holders has gone to rich peasants, who have thus enlarged their farms at the expense of the poor peasants.

Capitalist development is further facilitated by the negligible role of the state and cooperative sectors in agriculture, the former accounting for a mere 1 per cent, and the latter for 16.1 per cent of the arable.

The rural bourgeoisie works in close interaction with the big commercial bourgeoisie and the government bureaucracy. That explains its steady growth and also the growth of capitalist tendencies on a national scale. If these tendencies are to be curbed, we must, first, complete the liquidation of pre-capitalist relations and, second, consistently restrict the sphere of capitalist relations.

The problem of extending agrarian transformations in socialism-oriented countries was also dealt with by other conference participants. *Jasem Mohammed al-Helwai* (Iraq) noted that despite the heavy blows dealt semi-feudal relations and the constant struggle for their elimination, and also despite the introduction of cooperative and collective farming, and the bigger role of the state sector, rural Iraq still bears the heavy burden of the past and is very far from modernizing its productive forces. The cooperative associations confine their activity to rendering agrotechnical services, credits and marketing. The elimination of semi-feudal relations (in the main) has created a favorable climate for the accumulation of capital by some sections of the peasantry and the development of capitalist relations. The cooperatives have found themselves under the control of those who are economically strongest. They have a large share of the arable, but have not been developing qualitatively and are not being transformed into producers' cooperatives. This harms agricultural production and the national economy as a whole, producing a growing parasitic bourgeois stratum. We regard this as a threat to the revolutionary process and the socialist orientation.

Ali Malki gave a detailed analysis of agrarian transformations in Algeria, noting that they have produced the following results:

— redistribution of more than 1,000,000 hectares of state land in favor of those who till it;

— nationalization of 23,000 private holdings, which gave the state about 560,000 hectares;

— all in all, 100,000 agricultural workers and landless peasants have benefited from these operations, which have also enabled the organization of 6,000 producers' and 600 service cooperatives. The cooperative sector now has 1.5 million hectares formerly owned or controlled by feudals and rural capitalists. The state and cooperative sectors thus dispose of some 4 million hectares, or more than 50 per cent of the arable.

But there have also been substantial shortcomings:

— a sizable part of big holders with influence in the agrarian-reform agencies have been totally unaffected by the agrarian revolution;

— many cooperatives proved unviable;

— extension of the agrarian revolution to cattle and sheep farming in the more remote areas is being hampered by resistance from reactionary elements.

There are a number of factors behind these shortcomings. One is the wavering and hesitation of groups of peasants which have not as yet benefited from the agrarian revolution. And this involves hundreds of thousands of farms, with about 1.4 million able-bodied men and women, or more than 60 per cent of the active rural population.

The peculiar nature of our reforms, Malki said, is conditioned by the following two contradictions:

(1) Between the socialist aspirations of the revolutionary democrats gradually freed from petty-bourgeois ideology and coming to realize that the agrarian revolution represents a long-range fundamental reconstruction of society, and the class interests of the national bourgeoisie which, through its representatives in the government machine, hoped to give the agrarian revolution a purely technocratic orientation.

(2) Between the progressive aims that would create the economic, social and political conditions for our further advance to socialism, and the weakness of the agencies appointed to attain these aims. These agencies use anti-democratic methods, exert little or no influence on the masses and, furthermore, are a target of subversion by right-wing elements.

Nonetheless the agrarian revolution, with its tremendous mobilizing influence on the masses, has set wide sections of the peasantry into motion. The fact is that the laboring peasantry still makes up the bulk of our population, and the scale and durability of the popular support enjoyed by the revolutionary forces depends on their ability to wrest the peasants from the thrall of the enemies of social progress.

The fundamental principle of the economic policy of the Democratic Party of Guinea, Diallo said, has been formulated as follows: Agriculture is the basis, and industry the decisive factor of development.* Up to the mid-70s, small-peasant subsistence farming predominated, with each family working from 0.5 to 2 hectares. But we know that excessively scattered farming is an obstacle to modernization. As Marx wrote: 'Proprietorship of land parcels by its very nature excludes the development of social productive forces of labor,

*A similar principle will be found in the policy documents of the ruling revolutionary-democratic parties of the People's Republic of the Congo, the Democratic Republic of Madagascar and the People's Republic of Angola. — Ed.

social forms of labor, social concentration of capital, large-scale cattle-raising, and the progressive application of science.' (*Capital*, Vo. III, p. 787.)

In 1975 local revolutionary authorities began organizing two types of production collectives: ten-member mechanized production teams (MPT), each supplied with a tractor to be paid for in installments, and draught-animal teams (DAT). The whole product belongs to the local revolutionary authorities which use it to meet their commitments to the state and for economic and social development. Net income is used to extend the production base and for other community purposes — education, health, recreation, etc. These teams are the launching pads of socialist collectivization and the main vehicles of social and economic progress in rural Guinea.

In 1976, there were 2,300 teams, of which 1,500 had tractors. The year 1977 was one of extensive growth, and each local revolutionary authority started a combined mechanized and non-mechanized team, and preparations are now under way for a more intensive effort to raise labor productivity and harvest yields.

Albert Kouba-Keita (Congo) noted that, with the pre-capitalist mode of production still prevailing in agriculture, the country is in no position to feed the urban population, which has increased sharply in the past 15-20 years, or provide industry with the necessary raw materials, or the government with much-needed foreign exchange. The situation can be changed only by far-reaching structural transformations that would raise productivity and effectively counter the feudal and tribal ideology. And crucial to such transformations is organizing the peasant masses into cooperatives.

That point was made also by *Remi Rakotobe* (Madagascar) and *Jorge Pires* (Angola). Agrarian reform, Rakotobe told the conference, cannot be confined to redistributing the land and to founding and developing a cooperative system. Once they have received land, the peasants are faced with the problem of how to farm it — they need machines, draught animals, seeds, fertilizer, etc. The state must help them form cooperatives, to prevent them from falling into the clutches of the big landowners, who are only too ready to 'help' — on terms ruinous to the peasants. And, within its resources, the state is giving the young socialist cooperatives loans and subsidies, technical assistance, etc.

In Angola the state sector, made up of the big plantations abandoned by their owners, does not affect the small peasants, who account for the vast majority of the rural population. Only development of the cooperative movement can change the pattern of production relations and improve living standards. And a beginning is being made: in line with a decision of the MPLA — Party of Labor, peasant

associations are being set up, mainly for marketing purposes. Gradually, they will evolve into first-stage cooperatives, with collective property extended with state help, but with each member retaining his plot of land. The next stage will be socialist-type cooperatives with predominantly collective property in the land and other means of production, centralized management and production geared to the overall state plan. Some of the bigger plantations with a developed infrastructure will also be turned into cooperatives.

The formidable problem of ensuring the continuous and ascendant development of agrarian transformations was discussed by *Mesfin Wolde-Mariam* (Ethiopia). A year after the overthrow of the monarchy in 1974, the government decreed public ownership of all the land. Another crucial revolutionary measure was the organization, in December 1975, of a system of peasant associations; their members have a share in running the community and are assured of a direct part in managing the country's political, economic and social affairs. These revolutionary gains have obviously benefited the peasantry. But how does the peasant regard them, in a collectivist or individualist light? The Provisional Military Government is making strenuous efforts to bring to the peasant an understanding of the social, collectivist nature of the revolution and what it means for him. There is evidence that peasants are more inclined to see revolutionary gains from the standpoint of the individual private farmer.

The demand in rural areas for cereals and other foods has increased tremendously over the past three years, resulting in an acute food shortage in the big urban centers. Obviously, as long as the peasant farmer cannot accumulate more or invest more, agriculture will continue to retain its traditional, extremely low-productivity pattern.

All this makes it imperative to socialize agriculture. But how to do this without jeopardizing traditional peasant values and the revolutionary development pace? We must learn from the experience of the socialist countries, which, of course, have had to cope with similar problems.

How radical and advanced the agrarian transformations are in socialism-oriented countries, conference participants noted, depends on a number of objective and subjective economic and political factors. But in all cases the prime aim is to do away with feudalism and its survivals (naturally, in countries at the pre-feudal stage the aims are different, one of them being elimination of the traditional chieftaincy system). Of course, the same applies to agrarian reform in countries following the capitalist path, but the elimination of feudalism is not only the prime, but also the ultimate aim. In socialism-oriented countries it is the *starting point* for restructuring agrarian relations on a non-capitalist basis.

The second characteristic feature of agrarian reform in socialism-oriented countries is organization of peasant cooperatives with the accent on producers' cooperatives. This is attended by the implementation, or at any rate proclamation, of a policy designed to prevent the rich peasants from gaining the upper hand.

And this third characteristic feature: the foundation of mass peasant organizations, their continuous strengthening to become an active social force with a meaningful part in carrying out agrarian change.

Lastly, technical and economic modernization is concentrated chiefly in the cooperative and state sectors.

Such are the main features of agrarian transformations in the socialism-oriented countries of Asia and North Africa (in Tropical Africa, the incomparably lower socio-economic level dictates another type of agrarian reform).

All these measures carry agrarian reform beyond the bourgeois-democratic framework and create important (in some cases only potential) preconditions for socialist-type production relations and their subsequent dominance. It need hardly be said that all these changes are carried out in hard-fought class struggle and in the teeth of savage resistance from the exploiting classes and their friends and allies in the political superstructure.

Lessons of capitalist orientation

Agrarian reforms in capitalism-oriented countries were widely discussed. Their nature, results and consequences were analyzed by Communist Party representatives from India, Sri Lanka, Iran, Indonesia and several other countries.

They said that any agrarian reform which helps to eliminate the residue of medieval and semi-feudal relations is, objectively, a step forward, irrespective of whether it is motivated by revolutionary considerations or is meant to extend the social base of conservative regimes. But the question is what result it is likely to have: will it lead to a comprehensive solution of the agrarian problem, in all its economic, social and technical aspects?

Describing the agrarian policy of the Indian bourgeoisie, *Indradeep Sinha* (India) emphasized that it has somewhat restricted the cruder forms of feudal and semi-feudal exploitation and liberated a large number of peasants from landlord tutelage. The introduction of a uniform land-tenure system cleared the way for capitalist development in agriculture. But neither this nor similar measures have done anything to remove the main obstacle, i.e., factual monopoly of the rich landlords of vast tracts of farmland, their huge money and material resources, which are still the mainstay of their domination and

exploitation of the peasants, especially the poor peasants and farm laborers.

The bourgeoisie is sabotaging radical land reforms that could release tremendous peasant productive forces. Instead it is concentrating on improving and extending the agrotechnical base by developing irrigation, electrification, encouraging the use of more fertilizers, machinery and quality seeds, and granting more generous bank credits and other services. In the absence of a radical land reform, all these measures — the celebrated 'green revolution' — have benefited the landlords and rich peasants, and even then only in certain enclaves of high-productivity farming. True, the 'green revolution' has boosted production, especially in grains, but it has also exacerbated social inequality and aggravated class conflicts.

This landlord-capitalist development policy has not produced the desired results. In 1951-77, investments in agriculture (and irrigation) totalled 170 billion rupees, but agriculture remains at a woefully low technical level. Landlords and rich peasants (about 15 per cent of all farms) got 66 per cent of all government appropriations and credits; poor and middle peasants (85 per cent of farms) are sinking deeper into poverty, with resultant massive unemployment and pauperism. In the past 20 years, indebtedness to money-lenders, who still account for two-thirds of loans issued to peasant farmers, has jumped from 13 billion to 40 billion rupees.

The new Janata government has rejected the Nehru model of indepedent capitalist development through industrialization and land reform. Instead it has offered the country an 'alternative strategy' oriented on agriculture and exports, with the encouragement of farming, cottage industries and handicrafts, the aim being accelerated expansion of agriculture's technical base by concentrating on irrigation, electrification, quality seeds, machinery, marketing, credits and other services. But this ambitious program envisages a snail-like pace in land reform. Land-owning ceilings have now been complemented by land-owning 'minimum thresholds.' The result is bound to be millions of poor peasants ousted from agriculture and their plots used to form modern capitalist farms. This strategy is meant to accelerate the refashioning of agriculture along landlord-capitalist lines.

The capitalist agrarian reform in Iran, Amir said in his contribution to the discussion, has failed to solve the vital problem of eliminating the large landed estates. Most of our peasants have little or no land. Here are the statistics: the 320 top landowners or capitalist companies have more than 300 hectares each (and some as much as 10,000 or even 20,000 hectares); 9,000 farmers have from 100 to 300 hectares each; 635,000 farmers — from 10 to 100 hectares each, and 2.2 million peasant families — from 0.5 to 10 hectares. In the latter category are

1,081,000 families with a total of 867,000 hectares, which works out at less than 1 hectare per family (peasant families average 5 persons). These figures are eloquent proof of the continued concentration of land property, but on a new basis; proof also of the growing unjust and unequal disttribution of land in the interests of the capitalist agrarians and to the detriment of the peasant tillers.

The capitalist agrarian reform has had very onerous social and economic consequences: poverty, mass exodus to the towns (500,000 a year), agonizing crisis in every branch of agriculture. Farm output is either stagnant or declining and growth rates here are out of all keeping with the country's requirements and potentialities — in fact, output growth cannot even keep in step with population growth.

And also these signposts of underdevelopment: the average yield of grain, the country's staple crop, is only 8 centners per hectare: electricity consumption in rural areas is less than 3 per cent of total power output; there are less than 50,000 tractors for 8 million hectares of farmland; Iran has 5,000 agricultural technicians but needs at least 60,000; agricultural productivity is one-30th of the U.S. figure.

The government's agrarian program has proved a dismal failure and from 1 to 1.5 billion dollars have to be spent every year on imports of farm produce. The situation is causing grave concern and also the realization that overcoming agricultural backwarkness should get top priority.

Feudal exploitation complemented by growing capitalist-type exploitation is still characteristic of Indonesia, said *Satiajaya Sudiman*. The exploitation comes not only from local Indonesian capital, but also from foreign and Chinese capital, and from foreign imperialist monopolies, which in the past 10 years have stepped up their operations in chemical fertilizers, timber and fishing.

Uncontrolled destruction of forests leads to erosion of the land and this can play havoc with the rice crop, especially in the rainy season. Over-fishing, with the use moreover of modern techniques, has meant fewer jobs for fishermen. The government buys up peasant land at absurdly low prices and then rents it out to foreign investors for industrial development. The result has been more peasant poverty and more landless peasants. For them, the 'green revolution' has no practical meaning: it is meant for the farmer who can afford modern machinery, and has only strengthened the country's capitalist orientation.

Agriculture in our republic, *Peter Jayasekera* (Sri Lanka) emphasized, is conducted on two levels, which is typical of many other ex-colonies. On one level you have the highly developed tea, rubber, coco, and other export-crop plantation system run on capitalist lines,

with readily available investment capital and wide use of scientific methods.

The United Front government formed in 1970 by the Sri Lanka Freedom Party (which speaks for the national bourgeoisie), the socialists and the communists, carried out two agrarian reforms, in 1972 and 1975. Foreign land holdings were nationalized and turned over the the State Plantation Corporation and state-regulated co-operative organizations.

On the other plane is the traditional sector producing chiefly rice and other food crops. Social and economic conditions here are unfavorable, to say the least: a large army of landless peasants; widespread share-cropping (accounting for about one-fourth of all cultivated land); chronic peasant indebtedness; the ruinous system of dividing up plots; primitive cultivation methods; mass unemployment among peasants and farm laborers, etc. The net result is extreme backwardness.

The bourgeoisie maintains, the speaker continued, that land reform in this sector and distribution of surplus holdings to needy peasants would only hamper agricultural development and further aggravate the problem of land partition. True enough, small private plots are a formidable obstacle to large-scale agriculture, without which Sri Lanka will never pull out of backwardness. But it is also true that this contradiction can and should be resolved by encouraging and supporting the cooperative movement. And we have the experience of many socialist countries to show that the multitude of tiny peasant farms were successfully brought into cooperatives and subsequently formed big agro-industrial complexes.

Of course, from the standpoint of social and economic progress, effective cooperation is possible only if the country follows the socialist orientation. And though it is true that cooperative methods are also employed in capitalism-oriented countries, their substance is always of a capitalist — and, as another speaker, Thiam, has shown — often of a neo-colonialist character. The economic aim of such cooperation (as under colonialism) is to get the maximum super-porfit out of the peasants and make them bear the cost of reproducing labor-power. Politically, this exploitation and super-exploitation, in a caricature of socialist and cooperative structures, as in Senegal, is meant to generate peasant hostility, hostility to genuine socialism and to cooperation in its Leninist conception.

The contradictions and futility of the capitalist solution of the agrarian problem in developing countries were discussed also by *Kemal Kervan* (Turkey), *Naim Ashhab, Sharif Dishoni* (Sudan) and several other speakers. *Milton Paredes* (Honduras) cited the situation in Latin American countries, where the 'capitalization' of agriculture

(chiefly through capitalist evolution of the latifundia, combining semi-feudal with capitalist exploitation of the peasantry) has a long history. Changes in production and property patterns have not altered the fact that the majority of the rural population, as noted in a statement of the Economic Commission for Latin America, 'live in extreme poverty, are subjected to arbitrary rule and are the objects of discrimination in the distribution of welfare benefits.' There is a growing demand throughout Latin America for effective agrarian reforms as part of wider social transformations. In fact, the demands have reached dimensions that often compel the reactionaries, even latifundists, to ward off the danger by misleading measures that have little resemblance to real agrarian reform.

(To be concluded in next issue)

Monopolies under present-day capitalism

Abram Mileikovsky
Corresponding Member,
USSR Academy of Sciences
Yuri Yudanov
D.Sc. (Econ.)

Marxists have always said that the ramified machinery of state-monopoly regulation of the economic outlook will not rid capitalism of crises, and this has been once again borne out by the economic crisis of the mid-70s. In the difficulties capitalism has to face in overcoming its consequences it is quite rightly compared with the economic upheaval of the 30s, when no such comprehensive regulation was in existence. Despite all the efforts of the leading capitalist countries, the state of the economy has not improved and the upswing phase has not arrived. Instability continues to be the salient feature of the present state of the capitalist economy,

These failures are rooted in the class, pro-monopoly character of the anti-crisis policy. The monopolies' destabilizing role in the economy, their urge to prevent a pull-out of the crisis through democratic transformations, and their efforts to get the working people to bear its consequences, all of this has once again confirmed that only and anti-crisis policy with an anti-monopoly basis can be effective.

We continue our discussion of the crisis of capitalism (see *WMR*, January, March, June, and November 1978).

One theoretical premise for formulating such a policy, we believe, is a continuation of Marxist studies of the contemporary role of national and transnational monopolies within the system of state-monopoly capitalism. *World Marxist Review* has already reported on the results of such studies by Marxists in various countries. We intend to continue the discussion of some questions bearing on the nature of present-day monopolies and their place within the capitalist economy.

Lenin's theory of imperialism helps to understand the anatomy of monopoly at the level of the big corporation and the internal dynamics which push the monopoly beyond the national borders within which it builds up its strength through the development of state-monopoly capitalism, and finally, its transformation into an international force as a result of the export of capital and its international interlacing.

Are the monopolies being downgraded?

Have the monopolies in our day been winning new positions, or has the obvious growth of the role of the state in the economic sphere pushed them into the background?

Many bourgeois economists assert that the growing concentration of production and capital has slowed down or has even been reversed. Bourgeois analysts, for instance, frequently claim that over the past 30-40 years concentration on the corporate level in the United States has remained stable or has even declined. This is usually backed up with indicators of the share of an average giant corporation in production in this or that industry over a period of years, or a comparison of the share of individual giant monopolies in sectoral production over a given period of time. But such sectoral data do not give a correct picture of the concentration of production and capital by diversified concerns and conglomerates bringing together a great many enterprises which frequently operate in different industries.

Only synthetic data will give an objective picture. Take the 200 top corporations in the United States. In 1947, their share came to 30 per cent, and in the 70s, to 43 per cent. In that period, the share of the 50 leading corporations went up from 17 to 25 per cent.[1]

The intensification of capitalist socialization and its specifics are best characterized in the past few decades by the sharp growth in the number of national and multinational monopolies, giants which are at the very top of the monopoly hierarchy. At the beginning of this century, only one corporation had assets of over $1 billion (U.S. Steel), but in 1977 there were already 193 such supermonopolies only in the United States.[2] The 1974-75 crisis accelerated the process of monopolization. In 1976-77, another 39 monopolies joined the 'club' whose members have sales of over $1 billion.[3]

In the United States, the billionaire monopolies account for only 0.05 per cent of the total, but in 1975 they had 52.5 per cent of assets in manufacturing, and 54.1 per cent of after-tax profits.[4] We find the same picture in all the other developed capitalist countries.

The growing economic power of giant monopoly associations is a characteristic feature of contemporary capitalism. Lenin's conclusion that 'the rise of monopolies, as the result of the concentration of production, is a general and fundamental law of the present stage of development of capitalism' (*Coll. Works*, Vol. 22, p. 200), still holds true.

Other attempts are also being made to distort the economic substance of monopoly. Thus, bourgeois ideologists allege that because of the 'democratization' of capital, (i.e., the sale of corporate shares to the population at large) the corporations have shed their erstwhile exploitative socio-economic functions. Indeed, collective capitalist property (joint-stock, government) prevails in the capitalist countries. In 1956, the last monopoly company owned by one capitalist — Ford Motor-Company — in the United States went public. But this does not signify any change in the capitalist character of property. Besides, the bulk of the stock is not at all 'scattered' among small shareholders, but is held by a handful of millionaires and billionaires. U.S. sociologist Lundberg has estimated that 82.2 per cent of all U.S. stock is held by 1.6 per cent of the country's adult population.[5]

National and multinational monopolies are the key element in the structure of present-day capitalism. At the same time, the inner antagonisms of the system, including the contradictions in production, especially under the scientific and technical revolution, impel the state increasingly to intervene in the economy to realize the bourgeoisie's vital interests. The capitalist state helps to make corporate operations more efficient by making available to monopoly capital the results of the most important research and development projects, building up the social and production infrastructure for the benefit of the monopolies, and siding with them in settling their conflicts with the non-monopolized sector of the economy, and with the working people.

Vehicles of regress

The growing capitalist socialization of production on this basis fails to produce the material and production basis which is adequate to socialism. On the contrary, it leads to the formation of an irrational structure of production and consumption, as a reflection of the reactionary and anti-popular substance of state-monopoly capitalism.

Regressive trends in the social division of labor have been engendered by the monopolies' urge to become fully independent in their

production operations by establishing, in this age of specialized production, their own manufacturing, marketing, research-and-development and other units. One analyst says that the transnationals are a danger not because they are powerful; but because as organizations they are not adapted for rationally ensuring the future requirements of mankind.[6]

The big diversified corporations seek above all to monopolize markets so as to earn maximum profits. The policy of gigantization increases the anarchy of production in society as a whole, results in the establishment of separate 'economic empires,' and provides vast opportunities for manipulating transfer prices within concerns. Competition induces corporations to build up excess production facilities. The giant monopoly associations produce even greater instability in the shaky and relative economic equilibrium between production and consumption. The monopolies, which run through the whole of social life in capitalist countries, regardless of their political order, are responsible, together with the bourgeois state, for the latest economic cirsis and for the subsequent decline in the economic growth rates and deepening of disproportions in the economy.

The monopolies' activity results in a waste of social labor and material resources. Through a ramified marketing system, i.e., methods for in-depth penetration of new markets, the monopolies have deformed social demand on an unprecedented scale, sacrificing the consumers' real interests to their selfish aims. Consumer tastes and demand do not change so much because of the development of man's vital physical and spiritual requirements, as of the accelerating emergence, build-up and disappearance of prestige symbols, which are modified at the will of those who dictate fashion. The result is a chaos of real and imaginary achievements, truly valuable and useless innovations.[7]

The role of the monopolies as vehicles of reaction all along the line has been most pronounced in the crisis-ridden 70s. In their efforts to switch all the burdens of the crisis onto the working people, the monopolies have abandoned even the Keynesian methods of 'stimulating demand' and have done everything to limit consumption among broad sections of the population. The giant corporations have sharply inflated monopoly prices on the plea of rising production costs in consequence of the energy, raw-material and ecological crises, and also of the need to raise wages under trade union pressure. The monopoly hiking of proces nullifies the growth of nominal wages and frequently leads to a drop in the working people's real income. The spiralling prices have become a factor in the chronic inflation, which increases the instability and anarchy of the economy, acceler-

ates the bankruptcy of small companies, and converts cyclical unemployment into chronic unemployment.

In the 70s, corruption and misappropriation of government funds by the monopolies have acquired unprecented proportions, as will be seen, in particular, from the operation of 'mixed enterprises' in Italy and France. Overstatement of initial estimates for various projects handled by private business under government contracts has become the general rule, and this applies first of all to arms contracts and large-scale programs, like the energy program in the United States. It is indicative that from the outset, the Alaska Oil Pipeline estimates provided for growing embezzlement of state funds. While cutting down on appropriations on social programs in public health, education and urban renewal, the capitalist state makes generous handouts to monopolies faced with bankruptcy, like the 'first aid' that was made available to, say, Lockheed.

In the crisis period, the policy of big capital has developed a new aspect: fearing the advent to power in one form or another by democratic forces, which could undermine the positions of the corporations' henchmen and partners in the state apparatus, the monopolies have stepped up their anti-communist campaign to unprecedented proportions. At the same time, they took steps to transfer into private hands a number of government enterprises and to set up mixed government-private companies as a kind of 'defense wall' against any democratic programming of the economy.

Internationalizing capital

The conversion of big national corporations into multinationals is an embodiment of the new stage in the worldwide concentration of capital and production over the past several decades. Although the first such monopolies were already on the scene in the 19th century,[8] their rapid expansion in the world capitalist economy began in the second half of the 50s. The multinationals are a reflection of the new and unprecedented stage in the internationalization of economic life under capitalism.

Most multinationals operate on the strategy of setting up their own production facilities in other countries, so that their subsidiaries' output accounts for a growing volume as compared with national production. This trend is shown in the first table below.

The multinationals, together with the state, are the chief exporters of capital, which flows out on two levels of the world capitalist economy. On the top level are the three power centers of imperialism: the United States, Western Europe and Japan. On the lower level, are the developing countries. On both levels, the state-monopoly export of capital produces new contradictions.

The sharpening struggle for spheres of investment has led to a change in the balance of strength between the monopolies of the three power centers of capitalism. West European companies have invaded the U.S. economy on a large scale, while Japanese firms have started a full-scale assimilation of the West European and U.S. markets. As a result, the U.S. share in the total volume of foreign direct investments, which assures the monopolies of control over individual sectors of the economy in other countries, has diminished, as will be seen from the second table.

The peoples which have taken the way of struggle for economic independence have been putting up growing resistance to penetration by the multinationals. In these conditions, monopoly capital seeks political support from the reactionary forces and the bureaucratic bourgeoisie in developing countries to create a 'favorable climate' for private monopoly investments. The multinationals have increasingly oriented themselves upon a definite group of countries (Brazil, Indonesia, Saudi Arabia and Iran).

But the monopolies still prefer developed capitalist countries which have a high organizational and technical level in production, skilled manpower and sizable energy and raw-material resources (Canada, Australia, the North Sea countries, etc.), and which according to the financial magnates, are much more stable politically.

The multinationals' tremendous economic strength still has a tendency to grow. Despite the declining rate of production in the developed capitalist countries, these monopolies have continued, according to one bourgeois analyst, to expand aggressively and indiscriminately like a cancer cell. Some economists have estimated that by the end of the 70s the giant multinationals will be turning out 30 per cent of the GNP of all the capitalist countries, by the end of the 80s, 40 per cent, and at the turn of the millenium — more than 50 per cent.[9]

Counterweight to bourgeois state?

Much has been written about various aspects of the multinationals' activity.[10] The blatantly apologetic and optimistic tone which prevailed in bourgeois writings in the early 70s (the multinationals as 'vehicles of progress and global culture,' a 'factor of peace,' etc.) has now, after the crisis upheavals of the mid-70s, given way to a more moderate intonation.

But it would be futile to seek in these writings any that established the connection between monopoly and state-monopoly capitalism, which has produced the multinationals. A great deal is being said about the 'erosion of the national state,' and the transfer of some of its functions to the monopolies, their 'supra-state character.' It is also claimed that because of their share of production and the movement

of capital the multinationals are becoming a counterweight to the bourgeois state, Such statements are designed to obscure the ongoing concentration of production and capital, the build-up of the monopolies, and the conjunction of their strength with that of the state. The French communist economist Jean-Pierre Delilez is quite right when he says: 'these companies are literally "born" of state policy.'[11]

One could say that both sides of the coin new stand out in the far advanced process of state-monopoly regulation of the economy. The first is the growing role of the capitalist state, embodying the power of the whole capitalist class, especially the monopoly bourgeoisie, and concentration in its hands of ever more instruments for influencing the process of social reproduction. The second is the growing power of the monopolies. Pursuing their narrow ends and seeking to eliminate all the obstacles in the way of their continued expansion, the multinationals have been exerting an ever more noticeable destabilizing impact on the economy both of the home and of the host countries.

The multinationals' expnasion has essentially modified the relations between the state and the monopoly. Numerous facts show the growth of contradictions between the multinationals' operations and the imperialist state's budget, fiscal and credit policies. This has forced the state to seek new forms and methods of regulation and to combine utmost support for its 'own' monopolies with measures aimed not only against 'alien' monopolies, but also some of its 'own' multinationals.

The contradictory and twofold policy of the imperialist state with respect to the multinationals — the policy of support and counteraction — springs from the contradictory substance of the multinational monopoly itself. On the one hand, it originates on the soil of imperialism organized within national borders and is an instrument of its external economic expansion and its vanguard in the sharp interimperialist rivalry. On the other, it is finance capital which is in the process of internationalization, which has spilled over the national boundaries and which knows no national homeland.

In its efforts to regulate the activity of the multinationals, the imperialist state does not, of course, stand up for the interests of the nation or of the homeland, but of the local monopolies, of state-organized capital. The distinctive feature of bourgeois 'anti-monopoly' policy is the preference it gives to its 'own' monopolies.

It is obvious, however, that effective resistance to the multinationals' expansion requires an effort to limit the power of the national monopolies and to undermine their positions. These two forms of capital concentration are supplementary and spring from the

same soil of state-monopoly capitalism. The boundaries between them are fluid: a national corporation today becomes a transnational tomorrow by setting up subsidiaries in other countries. Both monopolies damage the national interest and hamper implementation of democratic programs for economic development. Neither is on the 'right side' in their competitive fight. Exploitation by national monopolies is no better than exploitation by multinationals.

But the expansion of the multinationals is a special problem, for it rests on economic factors, like the international division of labor and internationalization of production. The multinational monopoly epitomizes the power of capital which is united and interlaced on an international scale. New forms of dependence are established in the developed capitalist world which are not necessarily connected with the subordination of one country to another.

Two trends are increasingly pronounced within the system of present-day capitalism. The first is that the anarchy which the multinationals' separatist activity introduces in the capitalist economy within the national framework and within the world capitalist economy as a whole has intensified the imperialist countries' search for an international mechanism to regulate economic ties in the capitalist world and to establish new forms of state-monopoly relations.

The measures already taken by bourgeois governments in this direction are no more than recommendations (like the declaration on international investments and multinationals adopted by the OECD Council in June 1976). Still, the trend toward interstate regulation of the capitalists' activity has naturally alarmed the financial oligarchy. One of its pillars, David Rockefeller, declared that the question now is whether natural forces will be allowed to operate in such a way as to let the multinationals play an ever greater role in world development, or whether they will be subjected to constraints paralyzing their actions and weakening their influence.

To some extent, this trend is countered by another, involving diverse deals by multinational monopolies, which does not, of course, rule out competition among them.

At many secret meetings, monopolists discuss concrete measures for coordinating their policies on an international scale. The financial magnates and their ideologists have even suggested the establishment of a worldwide supranational coordinating agency. Such ideas have been expressed by the U.S. economist Lester R. Brown, who favors global integration on the basis of the multinationals' activity. He thinks it is necessary not to accentuate the free movement of goods, which is the basis of efforts through GATT(General Agreement on Tariffs and Trade), but the free movement of capital. He believes that

a worldwide monopoly selling shares on the stock markets of the world could cope with such a task better than any other.[12]

With the growth in the multinationals' economic positions, the monopoly bourgeoisie has been given fresh instruments to put pressure on the working-class movement. The multinationals frequently wind up jobs at enterprises in one country and increase them at enterprises in another; ignore, wherever they can get away with it, the local trade unions and labor legislation, seek to set up their own intracorporate unions, etc. At the same time, the internationalization of production also opens up fresh opportunities for coordinating the struggle by the working people and all the other democratic forces against the multinationals and national monopolies, against big capital, and for making this struggle more effective. There is a growing community of vital interests among the working people of various countries and this impels them to take joint action for progressive socio-economic transformations.

We find, therefore, that an analysis of the monopolies as a factor within the system of state-monopoly capitalism is an important line of research into the current crisis of capitalism. The power of the monopolies and their role largely determine the specific features of this crisis and are the main obstacle in overcoming its effects.

The results of the monopolies' economic operations will be seen in the deep-going disruptions of the whole mechanism of capitalist reproduction and the international division of labor. Their activity has also compounded the so-called structural crises, especially in energy, raw materials, the infrastructure, the non-production sphere (protection of the environment, education, public health and social security). The monopolies have made money on the crisis by means of the vast government subsidies, the tough measures for rationalizing production and management, and boosting prices. They have continued to make money on the anti-crisis policy pursued by the capitalist governments. Regulation of the economic outlook for the benefit of the monopolies or even in the light of their interests cannot bring either stability or balance into the economy. Nor can it overcome inflation and unemployment.

The economic crisis and the subsequent anti-crisis policy pursued by the capitalist countries' ruling circles have whipped up the monopolization of the capitalist economy, and this has led to a further distortion of social production and waste, and created new problems in restructuring the economy in accordance with the interests of all the members of society, an effort which is inseparable from social revolution. It is not a slow-down or stop of concentration of production, but its further development and internationalization for its socialization on socialist lines that alone will put an end to the devas-

tating effect of present-day productive forces and promote their balanced progress for the good of the working people.

1. *Statistical Abstract of the United States: 1976*. Washington, 1976, p. 520.
2. *Fortune*, May 8, 1978, pp. 240-258.
3. Ibid., May 1977, p. 364; May 8, 1978, p. 238.
4. *Statistical Abstract of the United States: 1976*, p. 521.
5. F. Lundberg. *The Rich and the Super-Rich*.
6. G. Tempel. *Als wär's der liebe Gott. Die Weltmacht der Konzerne*. Gütersloh-Wien, 1971, p. 67.
7. A West German magazine wrote: 'Since the 20s, there has been no technical revolution in the auto-industry but the excellent organization of the market has played its big part. General Motors, Ford and Chrysler have convinced the population of a whole continent that they must buy giant and unwieldy monsters, and have made fortunes on this. . .''Mini-cars make mini-profits,'' declared Henry Ford II and he was right. Ford makes twice as much money on the well-motorized $3,000 buggy which gobbles up 25 litres of petrol per 100 kilometres and emits enough poisonous gas into the environment, than on a modern $2,000 car. In the recent period, automobile makers have increasingly departed from development which is reasonable in ecological and economic terms, by setting up their own criteria' *(Der Spiegel*, May 20, 1974, pp. 49, 52).
8. A report issued by the U.S. oil monopoly Exxon said that it had been a multinational corporation 50 years before the concept was generally accepted (see *Der Spiegel*, January 5, 1976, p. 78).
9. P. Ordonneau. *Les multinationales contre les Etats*. Paris, 1975, p. 116.
10. See *WMR*, July 1978, p. 117.
11. *Cahiers du communisme*. No. 10, 1974, p. 59.
12. See *The Future of the U.S. Government, Toward the Year 2000*, New York, 1971, pp. 172-185.

Popular Contemporary
Russian Fiction
Now in English

SOVIET RUSSIAN STORIES OF THE 1960s and 1970s

Anthology of 7 long short stories by authors well known in the USSR.
Cloth 419pp $6.95

PROGRESS BOOKS
71 Bathurst St., Toronto,
Ontario M5V 2P6

Subsidiaries' product (turnover) to GNP of parent companies' home countries

Country or region	GNP ($ bln)					Value of subsidiaries' product (turnover) ($ bln)[2]					Value of subsidiaries' product of GNP (per cent)				
	1960	1967	1971	1973	1975	1960	1967	1971	1973	1975	1960	1967	1971	1973	1975
United States	509.0	807.8	1,077.0	1,306.3	1,513.0	54.2	108.5	184.4	291.4	458.3	10.6	13.4	17.1	22.3	30.3
Western Europe[1]	293.0	541.1	798.8	1,189.3	1,454.5	36.5	75.3	137.6	266.9	361.2	12.4	13.9	17.2	22.4	24.8
Japan	43.1	118.9	226.2	407.9	477.1	0 5	2.9	10.0	28.9	54.7	1.2	2.4	4.4	7.0	11.5

1. Indicators for Britain, France, FRG, Switzerland, Netherlands, Sweden, Italy, Belgium, Portugal, Denmark, Norway, Austria.

2. Value of U.S. monopoly subsidiaries' product is regularly given in *Survey of Current Business;* the turnover of the monopolies of other countries has been calculated on the basis of the ratio of direct investments to the turnover of U.S. subsidiaries (1960, 1.70; 1967, 1.92; 1971, 2.22; 1973, 2.81; 1975, 3.4). A special UN commission used one coefficient — 2.0 — which is now obsolete in determining the value of the product of subsidiaries of all multinationals in 1967 and 1971.

Authors' calculations from: *Survey of Current Business,* No. 8, 1976, p. 49; No. 2, 1977, p. 36; H. Kragenau Internationale Direktivestitionen 1973-1975. Hamburg, 1977, p. 12; *Main Economic Indicators.* July 1976, p. 18; *Monthly Bulletin of Statistics.* September 1977, pp. 108-113, 188-198, 218-220.

Direct foreign private investments

	1960		1967		1971		1973		1975	
	$bln.	%%	$bln.	%%	$bln.	%%	$bln.	%%	$bln.	%%
United States	31.9	55.1	59.5	55.1	86.0	52.1	107.3	46.6	133.2	48.4
Western Europe[1]	21.5	37.1	39.2	36.2	62.0	37.6	95.0	41.3	105.0	38.2
Japan	0.3	0.5	1.5	1.4	4.5	2.7	10.3	4.5	15.9	5.8
Others[2]	4.3	7.3	8.0	7.3	12.5	7.6	17.4	7.6	20.9	7.6
Total	58.0	100.0	108.2	100.0	165.0	100.0	230.0	100.0	275.0	100.0

1. Indicators for 12 West European countries.

2. Indicators for Canada, Australia and other capitalist countries.

Authors' calculations from: *Survey of Current Business,* 1974, 1975, 1976, 1977; *Die Schweiz in Zahlan,* Zürich, 1976, 1977; *Financial Times,* November 9, 1976; H. Krägenau. *Internationale Direcktinvestitionen 1973-1975.* Hamburg, 1977, pp. 12, 123; *Wirtschaftsberichte* No. 2, 1977, p. 16; *Multinational Corporations and World Development,* UN, New York, 1973, pp. 177-179, 197-198.

Alternative economic strategy for Britain

Ron Bellamy
Member of Economic Advisory Committee, Executive Committee, CP of Great Britain

The problems of policy and their reflection in theory, as attempts are made to pass the burden of the world economic crisis on to working people, are nowhere more obvious than in Britain. This is hardly surprising. For in no other major capitalist country is there a greater gap between the tradition-hardened ambitions of the bankers and multinationals to play an all-European, even worldwide, role and the increasing inability of a debilitated industrial base to support that role. Even the historically fortuitous discovery of North Sea oil, which was two years ago presented to the people as the feast which would reward their temporary privations, turns out to be double-edged. For in a center of international banking, the temporarily improved balance of payments — as home production of oil began to replace imports — and the increased strength of the sterling exchange rate immediately attracted volatile speculative capital. The consequent further rise in the exchange rate made British exports uncompetitive and, in an unprotected economy, made foreign products more competitive in the UK market. The bankers and multinationals, eager to use the inflow of short-term capital (paying low rates of interest) to finance further expansion of worldwide, and mainly longer-term, investment (at high rates of return), called for the abolition of all restraint on capital export. Meanwhile home industry stagnates, investment lags, unemployment grows, and demand for import controls increases, from the working class, from some sections of the capitalists particularly those catering for the home market, and from influential (and far from radical) economists.

But faced with a threat to profits from lagging sales, and seeking to reduce wage-costs, capitalists also call for a redistribution of the social product in favor of profits, by means of real wage cuts and reduced social expenditures by the government.

It was this latter necessity, at an earlier stage of Britain's chronic crisis, which already in 1974 pushed the Conservative government led by Heath into open confrontation with the trade unions. The trade

unions' victory in that battle, and the consequent election of a Labour government (in which, however, right-wing forces were still predominant), combined with the sharp inflation of 1975-76, made a new form of the long-standing incomes policy both necessary and possible.

Since 1948 successive governments had attempted to restrain money wages. But in 1968, 20 years' experience of incomes policies had taught trade unions that governments were either unwilling or unable to protect real wages by enforcing price control on the capitalists, and in that year the trade unions rejected the Labour government's attempt to set up a new framework of incomes policy based on the White Paper *In Place of Strife*.

But in 1974, utilizing the growing demand, reflected in *Labour's Programme 1973*, for 'a fundamental and irreversible shift in the balance of power and wealth in favor of working people and their families,' a demand whose full implications in terms of concrete policies against the monopolists were far from fully grasped by the labor movement, and building on the almost universally propagated view that inflation was caused by money wage increases, the Social Contract was struck as a voluntary bargain between the TUC and the government. For the trade unions believed that, in return for their wage restraint, the government would begin to implement the fundamental shift in the balance of power and wealth.

To be sure, communists and some left-wing labor forces had argued from the first that a Labour government, committed to the idea of class collaboration in making capitalism work, would be quite incapable of carrying out its side of the bargain. So. in fact, real wages fell as prices were allowed to rise, the social wage was cut, and unemployment rose sharply. By May 1977 the Executive of an important public-sector union was expressing a growing sentiment when it wrote (*National Union of Public Employees Review*): 'Because the Social Contract has been regarded as a trade-off between the trade union movement and the Labour government, and because the government has failed to meet the expectations it raised among workers when it entered into the bargain, the Social Contract has been transformed, in the eyes of trade unionists, into a vehicle for implementing wage restraint — and nothing more.'

In this context of mounting discontent with existing policies, let us look at the alternatives offered by non-Marxist sources.

So far as the world context of the crisis of Britain is concerned, there is much pious talk, but little action. The British Prime Minister puts the responsibility for world inflation upon the industrially most powerful countries, the U.S., West Germany, and Japan, and especially upon the last two because of their strong trade surpluses. Protestations of the need to do something are not, however, matched

by much confidence that anything will be done.[1] It is in fact universally admitted that the prospects for a return to pre-1974 rates of economic growth in the OECD countries are poor up to 1980.

For Britain this means that the perspective of export-led growth (for which resources were supposed to be freed by the cuts in popular consumption) has no basis given the absence of buoyancy in the world economy, quite apart from the unfavorable internal conditions elaborated earlier. Indeed it is being more frankly admitted that until the world economy picks up they can see no prospect of a fall in unemployment, now believed to be in practice nearly 2 million.

From the Conservatives on their side, and from their ideological supporters among economists, there comes little except neo-classical incantations and monetarist[2] prescriptions. Despite the parade of the competitive theoretical model, and demagogic appeals to 'set the people free' from government intervention, the real prescription is quite different — cuts in support to working people, combined with support for monopoly; freedom of action for big capital, permanent restraint upon the freedom of action of workers' organizations in the economic and political field.

As the prospects for a new round of the Social Contract on a voluntary basis become more and more problematic, there emerges a growing consensus along a spectrum from one wing of the Conservative Party (associated with former Prime Minister Heath), through the Liberals, to the whole right wing of the TUC General Council and of the Labour Party (especially in the Labour government itself) in favor of some more permanent and institutionalized form of relations between the government, the TUC and the Confederation of British Industry. Until recently the Conservatives had been publicly opposed to any kind of incomes policy, voluntary or compulsory, preferring to keep unemployment at a high level, and to seek other (including legislative) means of weakening the trade unions, so that the market relations would achieve the required objective. But at the beginning of March 1978 that view began to change — in part, no doubt, to give the Conservatives a stronger electoral base (in an electoral year) among the increasing number of white-collar workers in trade unions who have hitherto voted Conservative or Liberal, but also to heal the divisions within the party itself.

This consensus represents (though the word is only whispered) a trend toward 'corporatism.' Emphases differ, but a worked-out academic version by Lord Roberthall, a former economic adviser to the government, in an article 'Taking the Incomes Policy Course Against Inflation' (*The Times*, February 15, 1978), makes the points clearly enough. Recognizing the great strength of the trade unions, he argues for a permanent incomes policy. That is hardly new, and

would not by itself offer a solution attractive to the consensus. But he argues also, first, that: 'There has been a consistent bias toward what I now think was over-full employment. Whatever target should have been set then (in early postwar years) there can be no doubt that it should now be less ambitious.' Clearly he shares the monetarist-Conservative view that higher unemployment will weaken trade union militancy. Second, to reinforce that effect, there is to be a conscious ideological campaign: 'Incomes policy will only succeed with the cooperation of the trade unions, and this is unlikely unless public opinion is actively supporting government policy. There would have to be changes in the TUC itself, so that it had more power over its members. But these are only likely to be made if there is pressure for them from a strong public opinion.'

The required 'education of the community' is to involve an attack upon 'the survival of the principle of solidarity, so painfully achieved in the last century — that the workers must always support one another against the bosses. It is an anarchronism now that the biggest boss is the state and that in the private sector the return to shareholders is only a small fraction of turnover.' Here is an argument whose ideological lineage runs from Berle and Means (*The Modern Corporation and Private Property*) through Burnham's *Managerial Revolution* and through the whole of Galbraith, from *American Capitalism* in 1952 up to the technostructure of *The New Industrial State* and the planning system (the sector of giant firms — *R.B.*) in *Economics and the Public Purpose* of 1974.

But what is a development for Lord Roberthall is the increased role of the state as a permanent feature in industrial relations. He concludes: 'The right line is to formalize the annual discussions between the government, the TUC and the CBI, perhaps building on the machinery already existing in the National Development Council. . . . The real problem is that of sanctions, which must depend upon public opinion, with a strong lead from the tripartite negotiators themselves.'

Behind the polite language this is a prescription for more open and organized collaboration of what is, at this stage, the dominant trade union leadership with state-monopoly capitalism for disciplining the movement, against a background of high unemployment, campaigns by the media, and an increasingly free role for the police to restrict the propaganda and demonstrative rights of workers by use of the Public Order Act.

Of course the ideological victory required, a preface to such sanction of public opinion, is far from won; indeed the counter-attack from the left is beginning to develop. Let us examine some trends within that development.

Given the structure of the Labour Party, the trade union movement

itself is the source of a trend which links most directly with the working class in large-scale industry. Not surprisingly it is here that the growing unity emerges with Marxist analysis and policies.

The alternative strategy supported by the Trade Union Congress in September 1976 was for a substantial rate of economic expansion and rising living standards, based upon a rise in public expenditure, higher investment in industry, and a wide range of controls over imports. The concrete measures seen as necessary to implement these goals were: (1) Planning agreements between the governments and the top 100 companies; (2) an extension of public ownership in manufacturing through a National Enterprise Board provided with funds of £1,000 million a year; (3) nationalization of the banks and key financial institutions; (4) large-scale redistribution of wealth and income; (5) effective price control; (6) measures for industrial democracy.

During the ensuing year unemployment grew sharply, and this was reflected in modified and additional policies in September 1977. North Sea oil revenues began to flow; the TUC made its policy for investment more concrete by proposing that some part of these be used for that end. Faced with acute youth unemployment, the TUC stood for subsidies directed at long-term youth unemployment with a commitment from the government that every young person should be guaranteed employment, training, or further education. A priority recommended to constituent unions was the early reduction of the working week to 35 hours without loss of pay, and reduction of overtime where practicable. The investment policies of large private companies should be publicly supervised, and a National Planning Center created, with trade union representation, charged with the production of a national plan. It also advocated cuts in defense expenditure.

However, on the crucial question of policy over wages, while Congress agreed that 'no incomes policy can be successful until an alternative economic strategy is initiated,' and while it called for a return to free collective bargaining in principle,[3] it supported in practice (by a majority of about 7 million to 4 million votes) the policy of the General Council, rejecting the most militant policies. A particularly healthy development was the recognition of the danger to working-class unity and social progress presented by the racist policies of the National Front.[4] There was also some hardening of attitude against those class-collaborationist forms of industrial democracy in private industry which had been advocated in the Bullock Report.[5] The policy adopted by Congress stated that:

'It is welcome for the analysis of the Bullock Report highlighting the need for industrial democracy . . . . . does not assume that the only way forward is to legislate for worker representation on the policy-making boards of companies. This Congress is convinced that collec-

tive bargaining can be extended to greatly increase trade union influence over main policies.'

This latter view reflects the attitude of the more militant unions in a period when no steps are expected from the government which would prevent boards of companies from organizing further sackings rather than expansion of employment and investment.

Both these policies themselves, and the analysis that underlies them, have been elaborated in greater detail by professional workers, mainly economists, closely associated with center-left and left-wing forces in the trade unions and the Labour Party. Two recent books are indicative of the strengths and weaknesses of these worked-out ideological positions.

In the first of these[6] Stuart Holland (who has worked in the British Cabinet Office during the 1964-70 Labour government, and in the political office of Premier Harold Wilson during the same period, and most of whose arguments in the book were presented by the author to various committees of the Labour Party National Executive in 1971-74, where they received majority support and were extensively reflected in Labour Party policy), takes up a position which in all important respects stands in direct opposition to the well-known views of Anthony Grosland, whose book[7] formed for more than 20 years the ideological basis of the Labour Party's conception of the mixed economy, and still lies at the root of present Labour government policy. Grosland indeed, returning to his theme in a more recent book,[8] makes Holland's work a specific target for criticism.

Despite many ambiguities and what, at least to a Marxist reader, appear as self-contradictions, one of its crucial chapters ('On The Socialist Transformation') openly attacks the Grosland conceptions, as can be seen briefly from the headings of argument: 'The limits of state capitalism,' 'The unequally mixed economy,' 'Revolutionary reforms' and in many propositions, of which that on p. 154 is typical, viz., 'that the new power of the meso-structure (i.e., the multinational companies — *R.B.*) is so deeply entrenched that nothing short of a transformation of the mode of production, distribution and exchange within this sector can put a socialist government in a position to master economic policy. ... Thus, ironically enough, socialist means have become a necessary condition for the ends of social-democratic policies.'

Of course, it is true that such sentiments were also embodied in the 1945 Manifesto of the Labour Party. Indeed, Mr. Tony Benn, in a speech[9] aimed at mobilizing the Labour left for a general election, in a period of growing unemployment, reminded his audience of the words of that Manifesto: 'The great inter-war slumps were the sure and certain result of the concentration of too much economic power in the

hands of too few men. These men had only learned how to act in the interests of their own bureaucratically run private monopolies. . . .' It is also true, as Benn says, that such sentiments 'did not prevent the party from moving away from its commitment to radical change' nor prevent postwar Labour governments from persuading 'many good socialists that full employment was here to stay, that the welfare state had passed beyond the range of inter-party dispute and that all that remained for socialists was to carry on with Keynesian economic policies and govern with humanity and compassion. . . . Events in recent years have tragically dashed these hopes and we are again confronted with a slump in the Western industrialized world.'

But there is a crucial difference between anti-monopoly sentiments of 1945 and those of 1977. The former were spoken *before* 30 years of developed state-monopoly capitalism, *before* the massive intervention of Keynesian economic policies by the state. The latter are spoken *after* the patent failure of capitalist state regulation to provide full employment. A critique of state-monopoly capitalism developed, in any consistent and systematic form over the last 30 years, only by communists, is beginning to become the property of the whole left. This represents a considerable advance in intellectual consciousness.

Certainly, there are still crucial weaknesses, two of which are revealed in recent essays,[10] contributed to by Holland among others, dealing with policies to restore full employment. The first tendency, which may be attributable in part to a concern with immediate policy measures, but perhaps also to the well-known lack of enthusiasm among the working-class electors for extended public ownership, is one of downgrading the importance of the public sector, as a condition of planning for full employment, and upgrading planning agreements between the government and the largest monopolies. Of course, realism demands that concrete immediate measures and machinery should be specified. But without a mass movement to press them upon the government, radical proposals can easily be swamped in a welter of technocratic debate. What is (secondly) a more general omission in the discussion on measures for full employment is how to obtain those changes in government policy and personnel without which modernization-investment will proceed feebly, and modernization without expansion of the home market will increase rather than decrease unemployment. Changes in government policy and personnel can come about only as a result of a mass movement, and that in turn can emerge only with the trade unions as its core. Trade unions have never confined their demands to money-wages and working conditions; it is not being suggested here that they should do so now.

But in his chapter of the above-mentioned book on full employment, Holland nowhere mentions the struggle over real wages. Yet, quite apart from the question of the connection between the aggregate purchasing power of the working class and the aggregate demand for commodities (a not unimportant question in relation to the size of the domestic market), a failure on the part of the trade unions to defend real wages must necessarily seem to the workers as a failure in their fundamental function. If they do not do at least this, what is the reason for their existence? Why should a worker support them, or retain his membership? One may develop from Marx's famous ending to *Wages, Price, and Profit*, where he puts both aspects of the role of the wages struggle thus:

'. . . the working class ought not to be exclusively absorbed in these unavoidable guerrilla fights incessantly springing up from the never-ceasing encroachments of capital or changes of the market. . . , (But) by cowardly giving way in their everyday conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement.'[11] If that was true when the 'encroachments' were the *economic* ones of *private* capital, how much more is it true today when they are the economic *and political* encroachments of *state*-monopoly capital.

The tendency among left intellectuals we have attempted to evaluate here is one which reflects real contact with the political wing of the working-class movement. It seems to us that it is in danger of reflecting it too passively. Despite the correct attacks made upon the mixed economy, the general economic theory which lies underneath these views is usually that of the left-Keynesians. It does not therefore escape from an oversimplified picture of the relation between money wages and prices, and is therefore vulnerable to the kind of argument so frequently used in propaganda against the trade union movement, to the effect that 'one man's pay rise is another man's price rise. It might also cost him his own job or his neighbor's job.'[12] A similar, if cruder view, though one to be found in much writing from academic economists who support the left, that no contribution to economic progress is to be found from the trade unions, because they have in effect (even if not in intention) combined with monopoly capital to fix money wages and prices at the expense of the rest of the population, is, of course, entirely familiar to readers of Galbraith (e.g., *Economics and the Public Purpose*, p.276): 'In the planning system (the sector of giant corporations — *R.B.*) workers are defended by the unions and the state and favored by the market power of the employing corporation which allows it to pass the cost of wage settlements to the public. Workers in this part of the system are, relative to those in the market system (i.e., smaller-scale sector —

R.B.), a favored caste. ... The American trade unionist disavows socialism. His European counterpart hears it advocated, applauds, but wants no action.' There can be little doubt that many Keynesians have a commitment to full employment which is humane and genuine, and is currently reinforced by the fact that not even professional economists are personally immune from the effects of the crisis. But they are inhibited from fighting against it by the implication of their theory that full employment must inevitably entail inflation. Quite inconsistently, they have not yet drawn from their own theory the appropriate conclusions for policy: for in that theory the state was supposedly both devoted to the welfare of the majority and omnipotent.

The other leftward trend among younger intellectuals and students, starting in the late 1960s, has been toward Marxism. Two characteristics marked the earlier phase of this trend: first, it was divorced in the main from the working-class movement, indeed it regarded that movement either with romanticism (the ultra-left tendency), or with hostility (the anarchist and Maoist tendencies). Secondly, it was marked intellectually, as well as in political practice, by a desire for instant and simple solutions. Relatively unacquainted with practice, it sought in the more abstract levels of Marxist theory the explanation of, and policies for, immediate reality.

Thus, in one interesting reflection of this trend in Britain (namely, the Conference of Socialist Economists, which attracted and continues to attract a considerable number of young intellectuals) discussion of the historically concrete feature of the general crisis of capitalism in the early 1970s centered around a single concept, the falling tendency of the rate of profit. In a not dissimilar way, one would be led to suppose that the principal problem of Marxism was the relation between value and price of production in the framework of a stationary economy.

There are welcome signs that this phase is coming to an end. The 'crisis of capitalism' is no longer manifested only in 'alienation' or in 'Vietnam' (important though they were and are) — which influenced only a substantial minority — but is manifest in the universal problem of unemployment. As a result students and intellectuals have found themselves in contact and common action with trade unions, of which professional intellectuals are themselves increasingly members. The close contact with practical, urgent, and personally experienced problems posed by capitalism, and contact with the labor movement begins to transform the character of their embryo Marxist theorizing.

No doubt the declining popularity of sociology as an academic choice for students stems in part from a switch to job-oriented studies; and seen from that aspect in isolation should be regarded as

involving a narrowing of ideological horizons. But it should be remembered that it was in that area that a great deal of half-baked and eclectic phrase-mongering attempted to pass itself off as Marxism, to the detriment of the latter. The incursion of harsh reality into the processes of thought, leading as they have to closer contact with the labor movement and its long experience of disciplined struggle, can only further the healthy interaction between embryo Marxism and the labor movement. For those forces on the left within which the unity of Marxism and the practice of the labor movement has long been cultivated, if not without error, these developments open up considerable new possibilities and great responsibilities.

1. The inability of the leading capitalist countries to draw up anything even approximating a single economic strategy was demonstrated by the two-day meeting of seven heads of state and government in Bonn last July. The statement issued after the meeting was not called a joint document, nor was it fortuitous. Only the diagnosis in it was by joint effort, that is, the listing of the most acute problems which, as seen by the leaders of the Big Seven, could no longer be tackled individually by any one of the countries. — *Ed.*

2. Monetarism, bourgeois economic theory for regulating the economy by increasing or decreasing the amount of money in circulation. — *Ed.*

3. The TUC Congress held in Brighton last September reversed last year's decision by the overwhelming majority of votes. It called for a return to free bargaining and rejected the incomes policy in any form, thus essentially putting an end to the practice of Social Contract.

4. An overtly fascist organization formed in 1966 through the merger of five right-extremist groups. Its present fuehrer, John Tyndall, in the early 60s headed an organization known as the National Socialist Movement. At the 1974 general election the National Front put forward 90 candidates and polled 115,000 votes. — *Ed.*

5. A report of the government committee under Lord Bullock published on January 26, 1977. — Ed.

6. *The Socialist Challenge*. 1975, London, Quartet Books.

7. *The Future of Socialism*. 1956, London, Jonathan Cape.

8. *Socialism Now, and Other Essays*. 1974, London, Jonathan Cape.

9. December 12, 1977, republished in *Marxism Today*, February 1978.

10. *Full Employment*. Ed. Michael Barratt-Brown and others. 1978, Spokesman Books, Nottingham.

11. K. Marx, F. Engels, *Selected Works*. In Three Volumes. Vol. 2, p. 75.

12. A quotation from former Premier Wilson, displayed prominently in the official pamphlet *Attack on Inflation — a Policy for Survival*. HMSO, 1975.



Gathering storm

The International Working-Class Movement. Questions of History and Theory. In seven volumes. B.N. Ponomaryov, Chairman of the Main Editorial Commission. Volume 3, *Dawn of 20th Century Revolutionary Battles.* S.S. Khromov, editor, Moscow, Mysl Publishers, 1978. 701 pp.

The stormy 12 years between January 1905 and February 1917 embracing two bourgeois-democratic revolutions in Russia and the beginning of the First World War, occupy a special place in the historical destinies of the working class. They brought the world to the threshold of a new age, the age of transition from capitalism to socialism launched by the victorious 1917 October Revolution. This could rightfully be called the period of the origination of 'great world storms' (V.I. Lenin, *Coll. Works*, Vol. 18, p. 584). And it is not accidental that these two major social battles in the early part of the century — the 1905 revolution and the 1917 February revolution — separated by intensive strike movements and the search for a revolutionary withdrawal from the imperialist war, form the chronological framework for the third volume of this seven-volume Soviet edition on the history and theoretical problems of the international working-class movement.

This most recent volume is a broad and vivid panorama of the development of socio-economic processes at the dawn of the 20th century, showing conclusively that the mounting tensions in bourgeois society and the sharpening controversies among the imperialist powers made masssive social upheavals inevitable. And Russia promised to become, and did become, the center of the liberating storms, for it was here that all of capitalism's imaginable contradictions were concentrated. The Russian revolutions of 1905-07 and February 1917 were destined to be the detonators of mass movements in other countries, to spark a desire to follow the 'Russian example.'

To many this came as a surprise. After all, the leading Western powers had passed through the stage of bourgeois-democratic trans-

formations in the last century. There seemed to be nothing new that Russia could add; it was still 'catching up' with Europe along a well-trodden path. But those whose thinking ran along these lines were in the grip of out-dated stereotypes.

Neither the dramatic events of 1905-07 — the first people's revolution in the imperialist age — nor the massive working people's actions in Russia in February 1917, which brought about the collapse of the autocracy, were repetitions of earlier European-type bourgeois-democratic revolutions. According to the 'classical' schema of such revolutions, the bourgeoisie was their leader and reaped the profits of victory. The proletariat, the masses, had to remain content with being the 'physical force' behind the revolution. This casting of historical roles seemed quite natural to the right-wing social democrats in the Second International, who ignored the approaching age of imperialism. In Russia the Mensheviks and Socialist-Revolutionaries also looked upon the proletariat as so much 'cannon fodder' of revolution led by bourgeois political generals.

The opportunists could not understand that besides the bourgeoisie there existed another force capable of taking the lead in a bourgeois-democratic revolution. The conciliators did not wish to acknowledge the fact that in the new age the bourgeoisie was no longer what it used to be. As Lenin put it, 'from a rising and progressive class the bourgeoisie has turned into a declining, decadent, and reactionary class' (Vol. 21, p. 149).

The book under review stresses that the Bolshevik Party refused to blindly copy the pattern of preceding bourgeois revolutions and prepared the Russian proletariat to play another role — the role of hegemony in the coming battle. And the working class did become the main driving force and leader of the aroused masses in both the first and the second democratic revolutions that opened the way to the October Revolution of 1917. This volume contains a detailed analysis of the 1905-07 revolution which, though defeated, irreparably damaged the tsar's prestige as the main bulwark of world reaction, created an absolutely new international political climate and ignited the initiative of revolutionary forces in Europe, North America and Japan.

In those years Lenin made a fundamentally new contribution to Marxism with his theory of the transformation of the bourgeois-democratic revolution into the socialist revolution. And the Russian proletariat likewise made its massive contribution to the fund of collective experience of the working-class movement. This included such forms and methods of class struggle as revolutionary mass strikes coupled with an armed uprising, tactics of revolutionary guerrilla warfare, formation of left blocs, the Soviets, and revolutionary parliamentarism (see p. 82).

Lenin's new propositions added greatly to Marxism. He also saw, as few revolutionaries did, how quickly these new theories were tested in practice, in the heat of revolutionary battles.

The volume traces and analyzes the struggle between two trends — revolutionary and opportunist — in the workers' movement, because a good deal hinged on its outcome. For the Bolshevik Party and many left social-democrats, the assertion, in practice, of the hegemony of the proletariat in a democratic revolution was but part of a much broader issue — of how to realize the epoch-making mission of the proletariat and its leading role in the struggle for socialism. It was no accident that Lenin called the 1905-07 revolution a 'dress rehearsal' for both the February democratic and the October socialist revolutions. The authors show convincingly that all Lenin's energies were devoted to preparing the working class for the decisive battles for socialism. His efforts were titanic, indeed, in grappling with such important issues facing Marxism as how to win the peasant's support for the revolution, how to conclude alliances with the national-liberation movement, and how to bring about a revolutionary withdrawal from the imperialist war.

There will be particular interest in the chapters examining the pre-1914 struggle between the two trends in the Second International and showing what caused the split in the international socialist movement. Today, decades later, it is particularly clear that it was not the weakness of working-class international ties that prevented formation of a common front against the war and reaction. They were sufficiently strong and developed for their time. It was the predominance of opportunist elements in many of its sections and in the large parties that doomed the Second International. It was they who opened the floodgates of revisionism and nationalism and proclaimed unity a utopia. Their ever-present weapon was refusal in one way or another to abide by decisions of the International that were consistently Marxist in spirit on the grounds of their party's sovereignty. This was what caused the crisis and ultimate collapse of the Second International. Lenin, the Bolsheviks and other proletarian internationalists who were striving for a revolutionary withdrawal from the war, were strongly opposed to this destructive policy.

This third volume, like the entire edition, has the great merit that theoretical problems are not examined in the abstract, in isolation, but on concrete historical grounds. And seen in the framework of a wealth of facts, events, names and figures, the importance of Marxist theory as the key to the highly complex problems of revolutionary struggle, stands out in bold relief.

This latest volume is particularly rich in historical facts. The authors thoroughly document the general upsurge of the working-class

movement in the pre-1914 period. A separate chapter gives a panaorama of the situation and mass struggle of the proletariat in Russia, Germany, Great Britain, the United States, France, Italy, Austro-Hungary and the Balkan countries. At the same time there is careful detailing of the more prominent actions and forms of struggle of the working class in West (the 1913 Dublin strike and the 1916 armed uprising in Ireland, the big strikes in Britain and the United States, the first 'sit-in' and 'sit-down' strikes in Italy, etc.). Another chapter deals with the growth of organized struggle of the Latin American proletariat, the national-liberation revolutions in Asia, and the first steps of the workers' movement in various parts of the 'black' continent, in northern, southern and Tropical Africa. Besides the activities of working-class political parties, the struggle between the various trends in the trade unions — revolutionary, anarcho-syndicalist, Christian, etc. — is also examined.

The volume ends with an analysis of the 1917 February revolution, which first brought the class battles of the Russian proletariat to the threshold of socialism. The concluding chapter 'Eve of the Socialist Revolution' sets out the principles of Lenin's plan for the transition from the first, bourgeois-democratic, to the second, socialist, stage of revolution. This Bolshevik program, it says, 'was a program for Russia's national salvation and the consolidation of all its progressive, thinking and upright elements' (p. 664); its prime goal was to achieve the most just peace possible. In essence 'this meant the salvation of all humankind, the deliverance of all the long-suffering peoples from wars and exploitation' (p. 665), which was to become a key element of the program of the Great October Socialist Revolution.

Lev Sheidin

A glimpse of Portugal's future

THE 1978 FETE OF AVANTE!

Several kilometres west of Lisbon during the weekend of September 8-10, transport vehicles of various kinds seemed to converge toward a single destination. Each day from early morning until past midnight, streams of autos, buses, trucks, motorcycles, bicycles moved alongside the lines of pedestrians toward the Vale of Jamor, where some 30 hectares had been cleared and a small city of tents erected for the third annual fête of the newspaper *Avante!*

Approaches to the site were clogged during most of the day and at peak hours of the night. And the congestion at the entrances was as if all Lisbon's 1.7 million inhabitants as well as people from neighboring provinces were intent on attending the 1978 festival of the organ of the Portuguese Communist Party (PCP). Actually, estimates of the attendance during the three days range from 750,000 to more than one million. Certainly no fewer than 250,000 filled the natural amphitheatre for the great meeting Sunday afternoon with the PCP's General Secretary Alvaro Cunhal's report.

The *Avante!* fête gains in popularity year after year. There had been similar outpourings of Portugal's working people for the fête in this same valley in 1977, and the year before that, 1976, at the newspaper's first festival in Lisbon's Hippodrome. The 1978 turnout surpassed the others in the number of participants and in the organization of events and amenities.

Many interesting exhibits and graphic displays, and diverse forms of entertainment competed for attention. Pavilions were devoted to the newspapers of fraternal parties, to books and pamphlets and phonograph records, to the achievements of workers and farmers in the country's provinces, to the work of cooperatives, to the products of the nationalized enterprises, to the revolutionary role of Portuguese women, to the national independence struggles of the peoples of Mozambique, Angola, Guinea-Bissau and the Cape Verde Islands.

On the four large stages erected for the fête there were performances, recitals or concerts. Musical and theatre groups, instrumentalists and singers, some professionals and nationally famous artists but mostly amateurs, attracted large crowds. There were films and sporting events, poetry recitals and performing troupes and artists

from other countries, especially those of the socialist community.

There were numerous handicraft articles for sale which *Avante!* readers had made especially for the festival, and among these were sweets and nuts and fruit in great variety. The weary travellers from distant regions of the country could satisfy their thirst and appetite at the many stands and pavilions dispensing drinks and edibles. Above these from early morning until late at night the smoke of many fires carried aloft the aromas of roasting meats and of soups and sauces. Numerous family groups had brought their own picnic spreads and laid these out in convenient spots.

It is true that food, drink and entertainment are universal components of festivals. But the *Avante!* fêtes are no ordinary festivals. Of course, they bear the imprint of the class identity and aims of their organizers and participants, as well as of the national characteristics of the Portuguese people. In addition, the 1978 fête was attuned to the specific circumstances of the moment. It was the combination of all these elements that gave the fête its vital and vibrant quality, the sustained high level of mass participation and the enthusiasm akin to jubilation of the ceaselessly milling throngs. The *Avante!* festival is a mammonth national people's celebration of battles won and tasks accomplished, and a rallying point of the masses for the battles and tasks ahead.

First of all, the festival celebrates the overthrow of fascism. Four and one-half years after the revolution which delivered Portugal from fascist slavery, the people are savoring every moment of the freedom they have won. An how appropriate that the annual festival of the organ of the Portuguese communists should form the occasion for such a celebration! Was it not the Communist Party which kept alive the people's hope, welded their unity, and organized their fighting resistance? And was it not *Avante!*, voice of the communists, which regularly and consistently through 43 years of underground publication exposed the lies and crimes of Salazar and Caetano, and rallied the masses time and time again to continue the long and arduous struggle for freedom?

Many communists gave their lives to this cause. Most adults at this festival remember Jose Moreira, one of the many brutally murdered by the fascist police (PIDE); Maria Machado, who died under torture in a fascist prison, and whose lovely defiant eyes gaze back at the onlookers from a portrait in the pavilion of heroines of the revolutionary resistance; Joaquim Rafael, who worked during 20 years as an underground printer and gave his life serving the party. And here among the people enjoying himself like a newcomer to the festival is Antonio Dia Lourenco, *Avante!'s* chief editor since the very day his 12-year prison term ended (he was still in prison on April 25, 1974). It

was he who opened the political meeting Sunday with a tribute to proletarian internationalism and words of appreciation for the many greetings of solidarity received by the PCP and *Avante!* from fraternal parties and newspapers.

Many exhibits recalled the resistance struggles, others dealt with the events of April 25, 1974. One pavilion was given over to the Union of Portuguese anti-Fascist Activists, where survivors of the notorious fascist death-camp of Tarrafal on the Cape Verde Islands were distributing books and other material about the resistance. According to one survivor, 70-year-old Miguel Wager Russell, PIDE sent all anti-fascists without a trial to Tarrafal in the belief that this was tantamount to a death sentence in the malaria infested area, where forced labor at purposeless work, repulsive food in starvation quantities, and the absence of any form of health care took a heavy toll of the prisoners. Russell was one of 45 sent to the camp in 1937. Many never returned, among them Bento Goncalves, the PCP's General Secretary, who died in 1942, and Mario Castelhano, leader of the anarchists. Russell said the average age of the prisoners was 25 to 30, but some were below 17.

That the festival's emphasis on the heroism of the anti-fascist resistance was in step with the population's mood was evident in every workers' neighborhood of Lisbon. It seemed as if every wall proclaimed slogans and signs of the several political parties. But in greater number than any other were the demands 'Death to fascism.' 'Death to PIDE,' 'Oppose fascist terror.' What had been the people's fervent hope for half a century was now part of their living reality. Small wonder they wanted to celebrate.

The festival also celebrated the achievements of the agrarian reform and the nationalization of the major industrial plants and financial institutions. These achievements were in fact the material proof of the enormous creative energy of the masses. Here in these pavilions exhibiting the products of the labor of Portugal's workers and farmers was evidence of the obsolescence and uselessness of the latifundists and capitalists. For the record showed that workers' control and the cooperatives and self-management enterprises had achieved a total output surpassing that of the same enterprises and agrarian areas under the fascist regime. Both in the quality and quantity of products, the difference is considerable. What pride the festival's participants could take in their handiwork! This, too, was a cause for celebration.

There were other causes for celebration, including the end of colonial wars that killed and wounded tens of thousands of Portuguese and Africans in a decade and drained Portugal of its manpower and funds. Instead of the colonial policy which Alvaro Cunhal

called 'a crime against the colonial peoples and a crime against the Portuguese people.' the new Portugal can look forward to a fraternal association with the newly-independent African countries based on equality and mutual benefit. The participation of people from Mozambique, Angola, Guinea-Bissau and Cape Verde was a conspicuous feature of the fête. A new spirit of comradeship and friendliness prevailed. There were pavilions relating the struggles of the former colonial peoples for independence, and a rally Saturday evening devoted to solidarity with the peoples of Latin America and Africa attracted huge crowds.

However, the great cross-section of Portugal's population attending the *Avante!* festival regarded it as something more than the opportunity of celebrating their victories and achievements. The time of the fête was a time of danger for the gains of the April 25 revolution. September 1978 saw the unfolding of a serious governmental crisis, a critical economic situation, new conspiracies and maneuvers of the ultra-right-wing forces, and a step-up of the offensive of international imperialism against the hard-won liberties and livelihood of the workers and farmers. On the very eve of the festival, the financial pages of newspapers in the capitalist world announced the provision of a $300 million medium-term loan to the Portuguese government by a consortium of leading banks of the imperialist powers. The class confrontation entered new dimensions of struggle. How to save the gains of the revolution and move forward in raising the country's output and consolidating the democratic rights of the people — that was the question on the mind of the participants in the festival. They wanted a solution, an answer, and who could offer a better one than the communists?

And the communists were ready to discuss the problems with all comers at the festival. A series of meetings was organized during the three days. Members of the PCP Political Commission met with participants to consider aspects of the situation and seek satisfactory answers. For example, PCP Political Commission member Carlos Costa presided at a colloquium on 'Why governments resign.' The same day there were discussions on the national health service, on mass participation in cultural life, trade union policy, the condition of former political prisoners, the present state of the agrarian reform, deficits in the balance of payments, the role of banks and insurance companies, inflation and the growing cost of living, pluralism and the mass media, problems of transport.

The communists' overall view of Portugal's problems came at the close of the day, when Alvaro Cunhal reported to the great political rally. With an appeal to the audience to try to understand the complex situation, Cunhal began with an analysis of the governmental and

economic crisis. The present situation, he explained, was a consequence of a concerted campaign of destabilization conducted by the big landowners and industrialists in collaboration with international imperialism. The PCP has attempted to form the basis for a strong government which would defend and expand the gains of the April 25 revolution and uphold the progressive new Constitution. However, the leaders of the Socialist Party, which has 102 seats in the 263-seat parliament, have preferred a coalition with the party of the landowners and capitalists, the Social-Democratic Center (SDC) with its 41 seats (one more than the communists'). Under pressure from the SDC and other right-wing forces in Portugal and abroad, the Socialist-headed coalition government adopted policies for restoring the domination of the big capitalists, landowners and their imperialist patrons. The break-up of this coalition in July led to the present cabinet headed by Nobre da Costa, an 'independent' who held executive posts in a number of monopolies during the Salazar-Caetano regimes, including the iron and steel firm owned by the multimillionaire Antonio Champlimaud. Cunhal characterized this cabinet as an alliance of right-wing 'independents' who will defend big capital. Its program offers nothing for the masses and is directed against the agrarian reform.*

Cunhal concluded by calling on the Socialist Party not to look to the right, but to look to a coalition with the communists and other left forces. To the thousands of socialists, social democrats and Catholics at the festival, he reaffirmed the PCP's welcome for any step toward democracy, its openness to all suggestions for preserving the gains of the revolution, and its desire for a dialogue with all democratic forces. Such a coalition would form a government that could end the crisis in the people's interest.

The *Avante!* fête is over. Those September days were a period of new discoveries and new people met, of serious discussions and political education, of entertainment and high spirits. All who joined in the PCP festival will remember it as a call for new gains in the struggle for the people's happiness.

John Pittman
Lisbon, September 1978

---

*On September 14, the 17-day-old cabinet headed by Nobre da Costa fell after its program was voted down by the Assembly of the Republic.

facts and figures

The capitalist economy: chronic malaise

In all the capitalist countries inflation and a growing cost of living, its inevitable concomitant, have become a ganglion of deep economic, political and above all social contradictions. Inflation means an over-saturation of the channels of monetary circulation with quantites of paper money which are in excess of the requirements of commodity turnover. The growth of excess money in circulation springs directly from budget deficits, which means that the bourgeois state is incapable of covering its growing expenditures from the usual sources of revenue. Inflation is a typical indicator of the qualitative exacerbation of the general crisis of capitalism and is a source of more hardships for the working class and broad masses of people in general.

The working people of the capitalist countries, led by the communist and workers' parties, the most consistent champions of their interests, are engaged in a resolute struggle against the causes and social consequences of this chronic malaise of capitalism, which affects the interests of the broadest sections of the population in the capitalist countries: 88.4 million people in the United States, or 40 per cent of the population, have never witnessed a cut in prices. 'People are losing hope that prices will ever stop surging.'[1] Even bourgeois governments have now designated inflation as Enemy Number One, and every economic program they produce always includes anti-inflationary measures. Inflation and ways of combating it are among the main issues at any of the regular meetings held by the heads of the major capitalist states (the latest such meeting was held in Bonn in July 1978). Anti-inflationary measures are also written into the documents issued by such meetings. However, far from eliminating, these measures ignore the real causes of inflation: the greed of the monopolies, the unbridled arms drive, deficit financing and the growing profits of the financial-industrial oligarchy which are obtained by depressing the real incomes of the working people.

In the 70s, new elements have appeared in these inflationary pro-

A report prepared by Ursula Beyreuther of the GDR Institute of International Politics and Economics.

cesses. Thus, the doubling of the consumer-price growth rate in that period, as compared with the preceding decade, shows that the inflationary process is anti-social and has acquired a new quality (see Table 1).[2]

In conducting a policy which promotes the growth of inflation, capital tries to whittle down the working people's gains in their struggle for higher wages. While nominal wages have increased (and even considerably), the growth of its real purchasing power in the 70s, as compared with the 60s, has markedly slowed down, and in some capitalist countries, like the United States and Britain, real wages have even declined (see Table 2).

The social consequences of inflation are also manifested in the unequal growth in consumer and wholesale prices. In most capitalist countries, consumer prices have been growing much faster than wholesale prices. At the top of the price-rise league are the prime necessities: food, clothing, household goods, and the public utilities: rent, heating, gas and electricity. All of this inevitably reduces the working people's real incomes, because they have to spend a larger share of their incomes on the vital necessities and public utilities than the members of the exploiting classes of bourgeois society.

The monopolies have been pushing up prices most rapidly for the goods and services supplied to the capitalist state, and this means above all a rapid growth of military expenditures. The high prices for military products yield tremendous profits for the military-industrial concerns and stimulate their interest in continuing the arms drive (see Table 3).

No capitalist state can now cover such tremendous non-productive outlays for military purposes by drawing on the conventional (fiscal) revenues, and so there is increasing resort to the printing press: uncovered issue of paper money. The greater the resort to the printing press, the greater the disruption of the laws of commodity-money circulation, and the faster the growth of commodity prices, which is caused by inflation.

For the monopolies, government contracts are a profitable source of enrichment at the expense of the taxpayer. For instance, the cost of government investments in the infrastructure, i.e., schools, hospitals, highways, bridges, etc., has also grown faster than the average. As a result, there is also an effective depreciation of the taxes paid by the working people, which are earmarked for appropriations on education, public health, transport and various social measures. The rapid growth of military expenditures and the sharp rise of prices in the sphere of government consumption are partially financed by the capitalist governments by means of various forms of state borrowing

(see Table 4), and this ultimately has the same consequences as the increase in the mass of paper money.

The inflated credit and other forms of national and international borrowing now epitomize the monopolies' strategy of profit-making. Capitalist banking concerns make profits on the state debt in exactly the same way as industrial concerns, which finance a large part of the investments through government-subsidized credits, and this also increases the money mass in circulation and boosts inflation.

Inflation also exacerbates the anti-social character of the capitalist government's fiscal policies. While the monopolies are offered various new tax credits in order to 'stimulate growth.' the working people's nominal incomes, which tend to grow as a result of inflation, are being taxed at progressively higher rates. In the recent period, this has rapidly shrunk the share of taxes on capital in the total tax revenue, as compared with the share of direct taxes on wages and indirect taxation on the masses.

In addition, inflation has markedly distorted the imperialist countries' external economic ties. Because of the big gap between the national levels of inflation, the stronger capitalist countries gain advantages at the expense of the weaker ones, with many countries developing chronic balance-of-trade deficits in contrast to the balance-of-trade surpluses built up by the more competitive ones (see Table 5).

The economically weaker countries, with trade and payment deficits, have to devalue their currencies, which reduces their purchasing power. We find, therefore, that in the capitalist world inflation is a covert instrument for exploiting the working people in the economically weaker countries by the monopolies of the stronger countries.

Inflation is not a haphazard phenomenon, and is, in effect, the result of the uncontrolled spiralling of prices by the monopolies, with the attendant inflation of credit and increase in the money mass produced by the state-monopoly methods of financing. Both lead to a steady decline in the purchasing power of the currencies concerned. This process has profound social consequences, because it results in a re-distribution of the national income in favor of the most powerful monopolies and to the detriment of the working people. The capitalists and the imperialist governments increasingly use inflation to put pressure on the working people in their struggle for higher wages and better social conditions, as the latter are brazenly invited to make sacrifices for 'stabilizing' the capitalist economy.

Any effective anti-inflationary policy must go to the social roots of the depreciation of money. Consequently, it must be aimed to end the boosting of prices by the monopolies, establish democratic control of

the economy, a check on the arms drive and full use of all resources and capacities for the benefit of society. The capitalist programs for 'stabilizing' the economy and combating inflation are aimed only at the symptoms of inflation, and can, at best, help no more than temporarily to ease the most acute consequences of inflation, without going to the roots of the evil. 'Pessimism runs deep even among officials charged with finding a cure... doubtful that anything they devise will have a lasting effect on... prices.'[3]

It is impossible to end inflation and restore the economy to sound health by means of such half-way measures. But history shows that the capitalist system is incapable of coping with its chronic ills.

1. *U.S. News and World Report*, Oct. 2, 1978, pp.34, 30.
2. Author's calculations from IMF and OECD publications. — *Ed.*
3. *U.S. and World Report*, Oct. 2, 1978, p. 30.

Table 1
Annual rates of increase in the cost of living

	USA	Japan	FRG	France	Britain	Italy
1955-1960	2.0	2.0	1.8	5.6	2.4	1.9
1960-1965	1.3	6.3	2.8	3.7	3.3	4.9
1965-1970	4.3	5.5	2.4	4.4	4.6	3.0
1970-1975	6.8	11.4	6.1	8.8	13.0	11.3
1975	9.2	12.0	5.9	11.8	24.2	17.2
1976	5.7	9.3	4.6	9.6	16.8	16.7
1977	6.5	8.1	3.9	9.5	15.9	18.1*

	Belgium	Sweden	Greece	Portugal	Spain
1955-1960	1.8	3.7	2.4	2.1	7.6
1960-1965	2.5	3.6	1.6	2.6	7.3
1965-1970	3.5	4.6	2.5	6.3	5.1
1970-1975	8.4	7.9	12.3	15.1	12.1
1975	12.8	9.8	13.4	15.4	17.0
1976	9.2	10.3	13.3	21.0	17.6
1977	7.1	11.5	12.2	16.4*	27.7*

*September 1977

Table 2
Nominal and real wages in industry
A = nominal wages 1970 = 100
B = real wages

	USA		Japan		FRG	
	A	B	A	B	A	B
1955	55	—	23	—	30	—
1960	67	93	31	69	44	70
1965	77	99	50	76	69	82
1970	100	100	100	100	100	100
1971	106	101	114	105	113	104
1972	113	103	132	112	123	108
1973	121	102	163	120	135	109
1974	131	98	206	117	151	112
1975	143	97	229	115	165	113
1976	154	99	258	118	174	114
1977	168	101	285	120	187	115

	France		Britain		Italy	
	A	B	A	B	A	B
1955	30	—	46	—	34	—
1960	45	78	58	96	41	76
1965	64	87	72	96	68	89
1970	100	100	100	100	100	100
1971	111	103	113	100	114	105
1972	124	106	128	103	125	108
1973	142	108	145	105	156	117
1974	169	109	169	102	191	116
1975	198	111	220	100	221	117
1976	227	116	264	103	241	122
1977	253	118	276	93	292	130

Table 3
Arms expenditures
(U.S. $ mln.)

	USA	Japan	FRG	France	Britain	Italy
1967	74,448	1,068	6,000	5,502	5,340	1,890
1970	77,854	1,640	7,067	5,982	5,950	2,599
1974	85,906	4,300	16,668	9,970	10,041	4,415
1975	88,983	4,620	19,540	13,984	11,118	4,700
1976	102,691	5,058	18,758	12,857	10,734	3,821
1977	113,000	6,090	21,092	13,740	11,214	4,416

	Belgium	Sweden	Greece	Portugal	Spain
1967	535	971	303	295	521
1970	688	1,146	453	398	627
1974	1,506	1,903	807	1,000	1,372
1975	1,971	2,483	1,435	1,088	1,701
1976	2,013	2,418	1,249	748	1,766
1977	2,476	2,833	1,100	508	2,154

Table 4
*Growing state debt**

	USA		Japan		FRG	
	$bln	index	Y bln	index	DM bln	index
1955	223.9	100.0	897	100.0	17.87	100.0
1960	237.4	106.2	958	106.8	22.54	126.1
1965	261.3	116.7	1,385	154.4	33.02	184.8
1970	292.0	130.4	4,845	540.1	47.32	264.8
1974	351.5	156.9	9,680	10,791.5	72.14	403.7
1975	437.3	195.3	15,282	17,036.8	108.50	607.2

	France		Britain		Italy	
1955	57.54	100.0	26.9	100.0	6,633	100.0
1960	84.79	147.4	27.7	103.0	8,619	129.9
1965	84.95	147.6	30.4	113.0	12,676	191.1
1970	98.82	171.7	33.1	122.8	22,665	341.7
1974	95.54	166.0	40.1	149.1	50,100	755.3
1975	129.22	224.6	45.9	170.5	66,616	1,226.1
1976	138.69	214.0	56.6	210.1	81,324	1,004.3

	Belgium		Sweden	
	Fr. bln	index	Kr. mln	index
1955	311.6	100.0	16,082	100.0
1960	396.1	127.1	22,770	141.6
1965	489.0	156.9	21,512	133.8
1970	621.7	199.5	36,155	224.8
1974	821.4	263.6	62,014	385.6
1975	928.4	297.9	73,467	456.8
1976	1,058.5	339.7	80,411	500.0

*Central budgets

Table 5
Trade balances
(U.S. mln)

	USA	Japan	FRG	France	Britain
1956	2,748	−125	697	—	−876
1960	4,757	271	1,264	—	−1,142
1965	4,951	1,901	248	180*	−615
1970	2,603	3,963	3,800	297	96
1973	914	3,686	14,926	776	−5,386
1974	−5,363	1,438	21,893	−3,862	−11,969
1975	+9,053	5,030	17,649	1,507	−7,133
1976	−9,320	9,887	16,622	−4,749	−6,414
1977	−30,400	17,200	17,900	−2,400	−3,200

	Italy	Belgium	Greece	Spain
1956	−672	94	−276	−304
1960	−633	14	−310	41
1965	646	86	−702	−1,759
1970	−381	758	−1,093	−1,874
1973	−3,959	1,224	−2,817	−3,504
1974	−8.511	879	−2,886	−7,047
1975	−1,137	548	−2,921	−7,393
1976	−4,037	−666	−3,333	—
1977	−1,100	−300	—	—

*1967

WORLD MARXIST REVIEW

Problems of Peace and Socialism

Contents for Volume 21, 1978

(Numbers 1-12)

FEATURES	No.	Page
Ahrens, D. Détente and the working class	7	15
Arismendi, R. The scientific nature of Marxism and the importance of the concept of Marxism-Leninism in today's world	10	15
Chandra, R. Program of builders of a new world	5	5
A creatively developing revolutionary doctrine. International research group	6	24
Cyrankiewicz, J. What has been done and what has still to be done to strengthen peace and social progress	1	4
Dadoo, Y. South Africa: revolution on the upgrade	7	24
Faria, J. Détente, disarmament and social progress	4	3
Florakis, C., Vieira, G. The significance of revolutionary experience	1	13
Gierek, E. The right to live in peace	6	3
Habibi, E., Ashhab, N. Plot against peace in the Middle East	12	31
Hager, K. The socialist world outlook of the working class	9	4
Hall, G. The rocky road of contradictions	12	3
Handal, S.J. Inseverable interconnection	5	12
His name will endure through the ages, and so also will his work	5	3
Hula, V. A mighty factor of economic progress	12	13
Kapek, A. An important factor in building developed socialism	8	21
Kervan, D. The 'Soviet menace' myth and present-day realities	9	27
Keuneman, P. World changes and the developing countries	3	15
Knutsen, M.G. A strategy tested by the October Revolution	11	4
Kwiatowski, G. Weapon of expansion and diktat	10	26
Lenart, J. The economy and democracy	7	3
Molomjants, D. A leading regularity	2	18
A monster fed by imperialism	12	24
Nemes, D. The socialist political system in Hungary	11	16

	No.	Page
Pahad, E. Washington's stake in Southern Africa	3	24
Papaiannou, E. Anti-communism in the late 70s: some features and trends	2	29
Pastorino, E. New stage of the international trade union movement	8	13
Ponomaryov, B. A dangerous course	8	3
Ponomaryov, B. International significance of the new constitution of the USSR	2	3
Sindermann, H. Guarantee of freedom and human rights	1	25
Stewart, J. Dangerous symptoms	6	11
Todorov, S. The social policy of the BCP today	3	3
To our readers	1	3
Tsedenbal, T. International and national factors in cooperation among the socialist countries	10	3
The 20th anniversary of *WMR*	11	3
Twenty years	9	3
Urbany, R. The creative revolutionary approach in the struggle for socialism	4	12
Wimmer, E. Leninism and the perspectives of our struggle	9	16
World Marxist Review — the first 20 years	9	36

PARTY EXPERIENCE

Antonetti, L., Golubkin, V. Young Italy: anxieties and hopes	9	61
Barca, L. Development, reforms, revolution	4	42
Bilak, V. The lessons of February 1948 in Czechoslovakia	2	50
Blanqui Teixeira, F. Success of the gains of April campaign	10	48
Corvalan, L. The unarmed road of the revolution: how it worked out in Chile	1	34
Costa, C. The nationalized sector and the communist position	7	45
Cox, I. Linking the present with the future	3	41
Dascalescu, C. Worker participation in running society	11	48
Florakis, C. A significant event in Greek political life	9	41
Garcia, A.M. The basis for uniting left forces in Mexico	8	53
Gaspar, S. Builders of developed socialism	1	48
Holaj, H. The unity of economic and social progress under socialism	8	43
Kashtan, W., Jørgenson, A., Schröder, K.H., Santos, M., Meseguer, J., Nørlund, I., Iscaro, R. Isolation of anti-communists — a target for all communists	4	34
Keuneman, P. Unity of the fighting masses	8	23

	No.	Page
Maidana, A., Alcorta, A. Problems in setting up an anti-dictatorial front in Paraguay	6	48
Meeting of CC Secretaries of Communist and Workers' Parties of Socialist Countries	5	68
Muhri, F. A powerful impulse for our struggle	3	33
Norden, A. Lessons of the November revolution	11	37
Nunes, A. The Portuguese communists in the struggle for peace	12	44
Papaioannou, E. Lessons of the recent past	12	39
Pharakos, G. Banner of struggle and victory	11	26
Rao, C.R. An important landmark	7	33
Salgovic, W. Progress of socialist nations	1	59
Savvides, G. Leninism and the struggle to democratize society in Cyprus	6	37
Sorgenicht, K. Cooperation between the Socialist Unity Party of Germany and friendly parties	10	40
Stoph, W. The socialist state and society's economic development	2	40
Trebaczkiewicz, K. The responsibility of the young	3	61
Varela, T. The lessons of a strike	10	53
West, J. Some lessons in combating opportunism	1	69
West, J., Cissoko, S., Diaz, P.O., Schudel, O., Touma, E., Cox, I. Isolation of anti-communism — a target for all communists	5	58
Zaharescu, B. A new stage in the development of socialist Rumania	3	50
Zapirain, S. The Ninth Congress of the Communist Party of Spain	9	52
Zarodov, K. Leninism and the revolutionary renewal of the world	4	23

EXCHANGE OF VIEWS

The agrarian question and the peasantry's role in developing countries. International conference	12	79
Ambatjelos, A. Shaping the class consciousness of the working class	6	58
Barrios, J., Padilla, L., Maidanik, K. Fascism in Latin America: origins and features	4	103
Bellamy, R. Alternative economic strategy for Britain	12	111
Dialectical materialism and modern science. International symposium	7	52

	No.	Page
The dialectics of economics and politics during the struggle for the revolutionary transformation of society. International scientific conference	3	70
	5	21
	6	71
Gamboa, F. The communists and the consciousness of the masses	2	64
Gvishiani, D. Global modelling: complex analysis of world development	8	96
The imperialist policy of destabilization and the developing countries. *WMR* round table	9	106
Kapelinsky, Y., Sergeyev, N. On the threshold of more difficulties	6	105
Kashtan, W. The capitalist crisis and the communists	1	78
Malima, K.A. Overcoming underdevelopment	5	49
Mileikovsky, A., Yudanov, Y. Monopolies under present-day capitalism	12	100
The need and outlook for united action. Meeting of Chilean Marxists and Christians	10	92
The revolutionary process in the socialism-oriented countries of Africa. International exchange of views	1	90
Schmidt, M. Capitalism after the 1974-75 crisis	3	102
Sierra, S. The problem of fascism as mirrored in the ideological struggle	8	105
Skorov, G. The economic crisis and the developing countries	11	104
Zagladin, V., Frolov, I. Today's global problems and the communists	3	88

VIEWPOINTS

African panorama. Firmness of revolutionary will	4	56
Liberation movement — present realities, future prospects	7	90
NATO, hands off Africa!	11	60
The southern pivot of the struggle	2	102
Ali, J. Against repression and persecution	6	120
Ashhab, N. The people's will in invincible	11	69
Ashhab, N. The potential of the Ethiopian revolution	6	120
Auersperg, R., Krempa, I. The Munich diktat and its lessons	10	73
Barrere, M. For all mankind	1	112

	No.	Page
Barreto, C. 'National exclusiveness' and the road to socialism	11	85
Bayih, B. The Ethiopian revolution: a hard period	4	56
Brown, F. Our duty to the children	6	115
Chavis, F. Washington's utter hyprocrisy	5	115
CMEA: new scope of cooperation	5	70
Dansoko, A., Nkosi, J., Salim, A. Revolutionary changes in Africa	10	87
Dewhurst, A. Structure of monopoly capital power in Canada	2	92
Fantis, A. Your questions answered	8	87
Fazio, H. The Chilean economy in crisis	12	53
Fischer, H. Intercosmos: results and prospects	1	115
Habibi, E. For unity of the progressive and patriotic forces in the Middle East	8	69
Harris, G. New trends in Canadian labor	8	78
Hussein, N.A.R., Peirson-Matthey, P., Musialela, S., Makonese, P.T., Khasu, K., Mbala, G. NATO, hands off Africa!	11	60
Isa Conde, N. Changes in the Dominican Republic	12	61
Jackson, G. Revolutionary significance of the struggle for democracy	10	64
Kervan, K. Stop the fascist terror	10	71
Klare, H. Cooperation of scientists for socialism and for peace	4	86
Kosolapov, R. The socialist ideal: theory and reality	9	93
Laborde, J. Imperialism and border conflicts	11	94
Latin American panorama	12	53
Lomako, P. The most progressive trend	5	70
Lopes, D. Right-wing forces' policy doomed to fail	3	125
Macapagal, F.C. U.S. imperialism and Philippine independence	8	61
Malki, A. Algeria: the growing fight against imperialism	4	69
Mauge, R. Political situation in Ecuador	2	124
Mosotho, J. Lesotho set to strengthen independence	7	90
Müller, L., Rische, F. FRG monopoly capital: expansionist trends	4	93
Myatav, N. Erdenent — a treasure-house	5	85
Namiotkiewicz, W. The chauvinistic content of the 'three worlds theory'	11	74
Nkomo, J. Zimbabwe: a turning point	2	115
Nujoma, S. Namibia at the threshold of independence	2	108

	No.	Page
Organize resistance to the schemes of neo-colonialism. International exchange of views	5	88
O'Riordan, M. Cosmopolitanism of capital and internationalism of the working class	9	82
Pittman, J. 'Trilateralism' — U.S. imperialism's new scenario	5	104
Ponama, J.B. The people of Réunion want freedom	7	95
Prestes, L.C. Brazil: mounting struggle of the masses and isolation of the dictatorship	3	115
Rachid, A. Bahrain: fighting for liberation	10	82
Safari, H. Disarmament: a pressing task	4	50
The scientific and technological potential of socialism	4	79
Scientists speak out against the neutron death	7	100
Sassou-Nguesso, D. The Congo: key tasks of the current stage	4	63
Sevastyanov, V. Outer space and 'man's earth'	1	113
Silva, K.P. Changes in Sri Lanka	1	117
Souza, R.D. For Panama's complete independence	2	86
Space research, peace, cooperation	1	111
Stano, J. New traditions of old craftsmanship	5	82
Sztrumpf, T. Steel support	5	78
Tambo, O. South Africa after Soweto	2	102
Ursu, I. Science and technology in building a fully developed socialist society	4	79
V.B. Solidarity with the people of Nicaragua	12	66
Warrad, F. National and class aspects of the Arab liberation movement	2	77

SCIENCE, CULTURE, IDEOLOGY

Fedoseyev, P. Philosophy, world view, science	12	68
Frolov, I. Man and his future	10	115
Karaganov, A. The phenomenon of the political film	7	106
Köpeczi, B. Culture, system of values, way of life	8	115
Zhivkova, L. Guiding socialist culture: some pressing problems	11	115

THE PRESS

Barrios, J. A social portrait of the Salvadoran bourgeoisie	6	132
Boychuck, P. Business and the state	4	122
Boychuck, P. Labourites, monopolies and the working class	1	128
Chekharin, Y. Following Lenin's course toward a communist future	4	116

	No.	Page
Herger, W., Ransch, S. The party leads youth into the communist future	5	120
Heyden, G. A major event in the life of the party	8	124
I.C. Racism in the USA and Britain	5	124
Ivanov, I. Multinationals: what kind of 'new world?'	7	117
Jirasek, J. Law in the people's service	4	120
Jurgens, M. Carriers of danger	3	135
Kohen, A. The changing world	2	137
Kudryavtsev, V. The political system of mature socialism	1	124
Laborde, J. The suffering and struggle of the Guarani people	7	127
Menendez, M. Ethiopia, the unknown revolution	6	129
Navarro, J.C. A revolution of great achievements	5	117
Parades, M., Soares, J. The party press	1	134
Petersen, P. The human rights hypocrites	1	128
Pittman, J. Against racism, anti-communism and neo-colonialism	3	131
Pittman, J. A glimpse of Portugal's future	12	125
Polikeit, G. Weapon of the truth	2	129
Potyomkin, Y. A course of peace and socialism	11	124
Sardesai, S.G. Materialist traditions of Indian philosophy	1	130
Sheidin, L. Gathering storm	12	121
Smirnov, G. The creativity of Marxism-Leninism	10	126
Varas, J.M. Truth vs. slander	11	131

FACTS AND FIGURES

Beyreuther, U. The capitalist economy: chronic malaise	12	130
The cost of health under capitalism	2	140
The CPSU in figures	7	138
Davison, M. British violence in Northern Ireland	8	129
Duval, V. Human rights begin at home, Washington!	10	136
The Fatherland Front of Vietnam	1	136
Habibi, E. Israel: the cost of militarism	1	139
Indictment of imperialism — fresh evidence	9	124
L.N. Contrary to détente	2	143
The multinational octopuses	8	138
Nikitin, L. Your questions answered	6	135
N.K. According to official sources	5	137
Pahad, E. Whose ally?	10	130
Perlo, V. U.S. finance capital	4	126

	No.	Page
Results of the photo competition	9	144
Soroni, L. The strike movement in the developed capitalist countries	5	139
Steadfast service in the cause of peace and socialism	11	136
USSR: the right to work	7	133
Wahner, R. The condition of women in the GDR and FRG	6	140
Wiesflecker, O., Pittman, M. Neo-nazism and neo-fascism today	5	128
Your questions answered	4	138

IN MEMORIAM

In memory of Gerhard Danelius	7	130
In memory of Knud Jespersen	1	143
In memory of Moses Katane	7	131

Recent History of the Labor Movement in the United States

Volume one: 1918-1939 Cloth $9.50. 533 pages
Volume two: 1939-1965 Will arrive later

— detailed analysis of formation of CIO & AFL
— historical development of U.S. proletariat
— its ideology, national composition, structure
— nature and role of Black movement
— emergence of the Communist Party of USA
— full bibliography

Two volumes available on a subscription basis only.
Volume 1 now in stock.

PROGRESS BOOKS
71 Bathurst St., Toronto, Ontario, Canada M5V 2P6

Editions of the journal

'PROBLEMS OF PEACE AND SOCIALISM'

EDITIONS IN ENGLISH:

(World Marxist Review)
Central Books Limited,
14 The Leathermarket,
London, SE1 3ER, England

Progress Subscription Service
71 Bathurst St., 3rd floor,
Toronto, Ontario M5V 2P6 Canada

Imported Publications, 320 W. Ohio St.,
Chicago, Illinois, 60610, USA.

Problems of Peace and Socialism,
5 Rani Jhansi Rd., New Delhi 55, India.

New Horizon Publications
14 Tamaklos Street,
Mushin, Lagos, Nigeria.

FRENCH EDITIONS:

Librairie Nouvelles Frontières
185 rue Ontario est
Montréal, Québec, H2X 1H5, Canada

ARABIC EDITIONS:

Al-Wakt, P.O.B. 6247, Beirut, Lebanon.

AL-Thakafah Al-Jadidah, Al-Saadoon St.,
Al-Rawaaf 15/3/1, Bagdad, Iraq.

BENGALI EDITION: Manisha Granthalay
Private Ltd., 4/3 B. Bankim, Chatterjee
St., Calcutta 12, India.

BULGARIAN EDITION: 'Russki' 6,
'Hemus', Sofia, Bulgaria.

CZECH EDITION: Artia, Praha 2,
Nové Mesto, Ve smeckach 30, CSSR.

DANISH EDITION: Förlaget Tiden,
Brodgade 37, 1260 Kobenhavn K, Denmark.

DUTCH EDITION: Institut voor
marxistische vorming (IMAVO),
Stalingradlaan 18-20,
1000 Brussel, Belgique

FINNISH EDITION: Aikakauslehti
Kommunisti, Kotkankatu 11,
00510 Helsinki 51, Finland.

GERMAN EDITIONS:

'Buckexport' Volkseigener Aussenhandels-
betrieb der DDR, 701 Leipzig,
Leninstrasse 16, DDR.

Brücken-Verlag GmbH, Literaturvertrieb,
Export-Import, 4000 Düsseldorf,
Ackerstrasse 3, FRG.

GREEK EDITIONS:

Stephanos N. Papayannis,
Menandrou 66, Athens, Greece
People's Agency,
Tricouppis 53c, Nicosia, Cyprus.

HEBREW EDITION: Problems of
Peace and Socialism, P.O.B.
9525, Haifa, Israel.

HINDI EDITION: Bihar State Council CPI,
Ajay Bhawan, Patna 4, India.

HUNGARIAN EDITION: Kultura, Könyv-és
Hirlap Külkereskedelmi Vallalat,
Budapest 1. Fö u 32, Hungary.

ITALIAN EDITION: Libreria Rinascita, Via
della Botteghe, Oscura 4, 001 86 Roma, Italy.

MALAYALAM EDITION:
5 Rani Jhansi Road,
New Delhi 55, India.

MONGOLIAN EDITION: Ulaanbatar Mongol
Ulsyn Namyn, Khudaldaany Gazar V.I.
Leninii Gudamzh 41, Mongolia.

NORWEGIAN EDITION: Boks 3715,
Oslo 1, Norway.

PERSIAN EDITION:
P.B. 49034, 10028,
Stockholm 49, Sweden.

POLISH EDITION: RSW. 'Prasa-
ksiazka-ruch' BWKZ, Warszawa ul.
Wronia 23, Poland.

PORTUGUESE EDITION: Revista
Internacional, Av. Santos Dumont,
57, 30 Lisboa-1, Portugal.

PUNJABI EDITION: Punjab Book Centre,
1038 Sector 22-B, opp. General Bus
Stand, Chandigarh, India.

RUMANIAN EDITION: Ilexim,
Calea Grivitei 64-66, P0B 2001,
Bucaresti, Rumania.

RUSSIAN EDITION: Mezhdunarodnaya
Kniga, Smolenskaya-Sennaya 32/34,
Moscow 121200, USSR.

SINHALESE EDITION:
91 Cotta Road,
Colombo 8, Sri Lanka.

SPANISH EDITIONS:

Ediciones Paz y Socialismo, Apt.
Aereo 1253, Bogotà, Colombia.

Ediciones de Cultura Popular S.A.
Filosofia y Letras 34, Copilco
Universidad, Mexico 20, D.F. Mexico.

Ideologia y Politica, Fr Rufino
Torrico N 671-Of. 401, Lima, Peru.

Edificio Cantaclaro, Esquina San Pedro,
Parroquia San Juan, Caracas, Venezuela.

Libreria Internacional, Apdo 758,
San José, Costa Rica.

Revista Internacional, Calle 46 Este,
No. 16, Panamá, Rep. de Panamá.

Empresa Editora e Importadora
C.A., Villami 211 y Calderon,
Casilla 6217, Guayaquil, Ecuador

Agencia de Distribucion de Prensa,
16616 Praha 6, Thakurova 3, CSSR.

SWEDISH EDITION: Förlagsaktiebolaget
Internationell Revy, Fack, 12206 Enskede
6, Stockholm, Sweden.

TAMIL EDITION: Marxia Oli,
32 Broadway, Madras-1, India.

TURKISH EDITION: Agence de
diffusion, 16616 Praha 6,
Thakurova 3, CSSR

VIETNAMESE EDITION: S'o xuât nhâp khâu
sách bào 32, Hai Bà Tru'ng, Há-nôi,
Vietnam