

Memorandum to be considered by the Commission for Labour  
 N.A.L.G.O. to hold school on Portugal - Imperialism's  
 workers link

Midway towards N.O.P. to be established  
 N.O.P. to campaign against re-appointment of colour bar bill  
 Prominent African intellectual charged under 'Saboteurs' bill  
 Colour bar in part, evokes Labour Party protest  
 Housing campaign under way with new sponsors  
 The last issue of Union Voice  
 N.U.J. stands for more housing  
 Left organise in Royal Arsenal Co-operative

Discontent in Italian countryside  
 Strikes stop two leading Dutch newspapers  
 Nearly million strike against high rents and evictions in  
 Milan

Don Sweden show the way  
 The Union Agreement - Don Koff  
 Chinese say Yucatan is a capitalist, hint Russia  
 say follow

Only publishes huge quantities of pamphlets  
 100 copies of Latin American revolution  
 100 copies of Latin American revolution  
 100 copies of Latin American revolution

# THE BULLETIN

As we go to press, reports are coming through from  
 Cominform that the Standing Orders Committee is struggl-  
 ing, by all means, to prevent controversial discussion from  
 being given the conventional 'off the agenda' thin  
 to have been 'accidentally missed' off the agenda. This  
 whilst it had to be expected, represents a dangerous develo-  
 ment. Wilson gained the support of many on the basis that  
 he stood for a quantity of controversy. This position  
 light again, against conference matters. This position  
 will be of value at all if it means the main-  
 tained to become, on the other hand, more international  
 and opportunities to cheer the 'struggle' arising out of  
 this annual conference, a light would be cast at all  
 levels, inside the party.  
 The struggle is not done  
 avoided. All the undebated questions will arise again on  
 a higher level after we have a Labour government. The  
 Wilson leadership will only have itself to blame if the  
 policies are then more bitter.

## An Information Service for Socialists

Vol. 3. No.11 Sept. 30th 1963

PRICE FOURPENCE

PUBLISHED BY: International Bookshop, 4, Dane St., Nottingham.  
 Produced by Voluntary Labour

Subscription rates: 12/6 for six months (24 issues)  
 25/- for one year (48 issues)  
 special introduction rate 2/6 for 6 issues

Page	1	Macmillan to be sacrificed? the lesson for Labour
Page	2	N.A.L.S.O. to hold school on Portugal - imperialism's weakest link
		Medway towns M.C.F. to be established
		M.C.F. to campaign against re-enactment of colour bar bill
		Prominent African intellectual charged under 'sabotage' bill
		Colour bar in pub. evokes Labour Party protest
Page	3	Housing campaign under way with new sponsors
		The last issue of <u>Union Voice</u>
		N.U.R. stand for more housing
		Left organise in Royal Arsenal Co-operative
Page	4	Norwegian Labour Party does well in local elections
		Discontent in Italian countryside
		Strikes stop two leading Dutch newspapers
		Nearly million strike against high rents and evictions in Milan
Page	5	<u>Does Sweden show the way?</u>
		The Evian Agreement not the Koran - Ben Bella
Page	6	Chinese say Yugoslavia is state capitalist, hint Russia may follow
		Cuba publishes huge quantities of pamphlets
Page	7	Che Guevara on Latin American revolution
Page	8	Portugal's economic dependence on Portugal

#### Letter to Readers

As we go to press, reports are coming through from Scarborough that the Standing Orders Committee is struggling, by all means, to prevent controversial discussion from taking place. One 'controversial' resolution is reported to have been 'accidentally missed' off the agenda. This, whilst it had to be expected, represents a dangerous development. Wilson gained the support of many on the basis that he stood for the sanctity of conference decisions, as against Gaitskell who pledged himself to 'fight, fight and fight again' against conference decisions. This position will be of no value at all if annual conferences are manipulated to become, on the Tory pattern, mere election rallies and opportunities to cheer the 'leader'. Arising out of this annual conference, a fight needs to be made at all levels, inside the party, against this tendency.

The struggle between right and left has not been avoided. All the undebated questions will arise again on a higher level after we have a Labour government. The Wilson leadership will only have itself to blame if the polemics are then much more bitter.

On page 6 we report on another disturbing matter - the Chinese hint that 'Russia may become state capitalist'. This is playing around with theory in the interest of factioneering in a most irresponsible way. Marxists all over the world have supported the Chinese against the extreme opportunism of Khrushchov's policies, e.g., on the Sino/Indian border dispute, but this cannot lead us to underwrite their theoretical positions. It would be a simple matter for the Russians using the same methods as the Chinese to 'prove' that China is also 'state capitalist' - then where are we, theoretically speaking?

MACMILLAN TO BE SACRIFICED? speaking at Scarborough on Sunday, Wilson claimed that Macmillan has been chosen as the Tories' scapegoat upon whom all their ills can be blamed. Despite the Premier's statements after the publication of the Denning report, there is much evidence that serious sections of ruling class opinion has come to this decision. The Financial Times of 27/9/63, the day after the Denning report had been commented on, had an article entitled "After Denning - an urgent search for a new leader"; it contained the passage:

"....The Denning report makes much more urgent the search for a successor to Mr. Macmillan who ought to have 'emerged' by the time the Party Conference ends in mid-October. Whether or not this is possible, it now seems plain - and I think that few influential Conservatives would dispute it - that the Party cannot hope to win an Election under Mr. Macmillan. And, accepting this, the change ought to be made quickly if the disunity and the damaged morale of the Party is to be mended quickly enough...."

The Economist of 28th September finished its editorial:

"...The danger is that Mr. Macmillan, after having optimistically analysed the usual conference ovation for himself, may conclude again that he is the only man to save the country and the party from whatever he thinks at any one moment is most threatening it. It will not be loyalty, but simple abdication, if the Tories who do not agree with him fail to let him know their views. The leadership of the country and of the party is too serious a matter to be left unsettled in a mood of polite ambivalence."

Its comment on the Denning Report concluded:

"....The prime minister himself, it is explained, felt it better that Mr. Profumo should be questioned by "friends of his own age": this was the attitude of the person supposed to be in charge of the government of Great Britain."

It would be by no means the first time in recent history that the Tories have chosen this method getting themselves out of a mess, Wilson quoted the examples of Baldwin, Chamberlain and Eden. But by concentrating on the issue of 'security', Wilson and other Labour Party leaders have obscured the real political issues of the whole affair. It is true that to a certain extent the Tories are prisoners of their own professed 'ideology' and the system of mystification they have built up around the sacred institutions of the British way of life - the family, royalty, the 'Christain' way of life, etc. In this sense the whole crisis is an illogical expression of this very same mystification. But the point is that a confident, dynamic leadership would have been able to ride out the 'Profumo affair'. It is especially the lack of purpose and direction which has characterised this government since the Common Market fiasco that makes so very difficult for Macmillan and co. to face such things. The overriding political opportunism which stops the Tories from calling a General Election prevents them from finding a solution by having a 'clean sweep'.

Thus we find the direct political instrument of the big business circles in this country suffering from a profound crisis of policy, and, to a certain extent, even paralysis of will. Under these circumstances, even a serious opposition bourgeois party would strike hard at the government but instead Labour leaders want to play it cool. They have tried by all means to keep a socialist alternative out of the debate at Scarborough. They say "Let us first take power - and then we can get on with job", nationalisation is a dirty word, the press will utilise any differences, etc., etc. Implicit in all these arguments is the necessity to capitulate to 'public opinion' as whipped up by the capitalist press. This means in effect, capitulation to the capitalist class (which will continue to manipulate 'public opinion' after a Labour victory). Unfortunately because of the low ideological level of the left wing of the party, Wilson's argument will evoke a big response from all sectors. Marxists have the difficult job of being the custodians of socialist conscience of the party without cutting themselves off from mass of the party's members.

**1756** The Midland Region of the National Association of Labour Student Organisations is organising a school the weekend of 12th & 13th of October in Nottingham. The subject will be Portugal and its colonial empire, linking this with the socialist movement in western Europe. John Rex of M.C.F. will be the speaker for the Saturday session and a representative of the Portuguese Opposition will speak Sunday morning. The second speaker on Sunday will be either Ken Coates or another representative of the Portuguese Opposition.

Although mainly for students, the school will be open to all interested people. The Saturday session will be at the Portland building attached to the University and the Sunday session will be in the Co-op Education Centre, Heathcote street. The Saturday session starts 2.15, and that on Sunday 11.00.

Ed. Note: as part of N.A.L.S.O.'s campaign on the question of repression in Portugal and the Portuguese colonies, it is holding a joint meeting with M.C.F. on November 2nd. We will give full details soon.

MEDWAY TOWNS M.C.F. TO BE ESTABLISHED from Colonial Freedom News

An M.C.F. meeting was held in Chatham on September 20th with a view to forming a Medway Towns Area Council. The speakers were Fenner Brockway, Leon Levy (exiled President of the S.A.C.T.U.), and Councillor Jim Buck, with Anne Kerr, the Labour candidate, in the chair. The subject was South Africa. About 30 people attended, and steps are now being taken to form a group.

M.C.F. TO CAMPAIGN AGAINST RE-ENACTMENT OF COLOUR BAR BILL

At its first Central Council meeting after the holidays, M.C.F. decided to have a campaign to arouse public opposition to the re-enactment of the Commonwealth Immigrants Act at the end of the year and to the Public Order Act 1963, and public support for the re-introduction of Fenner Brockway's Bill on Racial Discrimination and Incitement.

The campaign will be centred around a large public demonstration, probably on November 24th (Sunday), to which provincial contingents will come. There will be marches from several parts of London, followed by a public meeting. During the two months up to Nov. 24th, material will be distributed explaining the campaign and mobilising support for the demonstration.

PROMINENT AFRICAN INTELLECTUAL CHARGED UNDER 'SABOTAGE' BILL

According to press reports, Dr. Neville Alexander, a prominent non-white scholar who was detained in Capetown under the 90-day detention clause in July, is to be tried for sabotage (this can carry the death penalty) He comes before the Supreme Court on November 4th. Bail was refused after a brief hearing. Dr. Alexander studied in Germany for many years where he took his Doctorate of Philosophy.

COLOUR BAR IN PUB EVOKES LABOUR PARTY PROTEST

When he went into a public house in Nottingham, a West Indian member of the Labour Party was refused service - clearly because he was with a white woman. After contacting members of the Labour Party, he again went in with a member of the Young Socialists - two Labour Party members having gone in first to witness what took place. He was again refused, this time the reason being given. He then wrote to the Secretary of the Central Nottingham C.L.P. to ask for the matter to be discussed as an emergency motion at its next meeting. The G.M.C. then passed a resolution of protest and decided to contact the brewery authorities to see whether the landlord was acting unilaterally or on their instructions. At the meeting, a member of the A.E.U. said he would raise the matter in his branch so that the Trades Council could be called upon to take action too. Further evidence is being gathered and the matter will be pursued until the colour bar is completely smashed.

Some one thousand copies of the housing campaign petition have been distributed already - copies having gone to all C.L.P.s, trade unions, and all left M.P.s. Some 1,500 copies of an off-print of an article dealing with the campaign have also been distributed. Both the petition and the off-print are to be distributed at Scarborough. Among the extra sponsors are James Kerr, Prospective Parliamentary candidate, S. Edinburgh, and Councillor George Powe, Long Eaton Urban District Council. With the commencement of the Labour Party conference and other happenings the process of getting sponsors has hardly begun. We would again appeal to all readers of the Bulletin to send in suggestions for sponsors, or better still approach people themselves - of particular importance are members of tenants' associations, councillors on housing committees, trade union secretaries, etc.. We can also provide copies of the petition.

#### THE LAST ISSUE OF 'UNION VOICE'

The last issue of Union Voice has appeared. The editors say that it has had a "short and glorious life." The November edition of the paper will be the result of the amalgamation with Labour's Voice. The editors also say, "In keeping with the wishes expressed at our readers' meetings this amalgamation will not result in change of policy on the part of Voice. We will continue to oppose the intrusion of outside bodies into trade union affairs and elections. We stand by all our previous editorial statements, which by virtue of this amalgamation will result in our policy reaching a wider working class audience..."

This issue contains articles on Clause Four, housing, I.R.I.S., an attack on the vindictive 18 months' jail sentence on George Clark, Labour Party Appeals proposals, an interview with Ben Bella, Britain's oil, nationalisation, east/west trade, etc. This month the centre 'spread' is industrial democracy and workers' councils.

#### N.U.R. STAND FOR MORE HOUSING

from an N.U.R. correspondent

I note with interest in the 16th September Bulletin the item on the housing campaign. You may be interested to know that the following resolution was passed unanimously by the N.U.R. A.G.M. in July this year:

"That this A.G.M. condemns the complete failure of the Tory housing policy as shown by the increasing number of houseless families in London and other cities.

We believe this is due to too few houses being built for renting and to the fact that slum clearance is proceeding too slowly.

Decent control and high rents with housing speculation also contributes to homelessness and hardships for many families.

We therefore call for:

- (1) Building of 400,000 houses per year with restrictions on building for sale;
- (2) Higher subsidies for Council and New Town building;
- (3) Loans of 2% for all building by Public Authorities and housing co-operatives;
- (4) Mortgage at low rates of interest for owner-occupiers;
- (5) Repeal of the 1957 Rent Act and general rent reductions"

#### LEFT ORGANISE IN ROYAL ARSENAL CO-OPERATIVE

from a Greenwich correspondent

Left-wing members of the R.A.C.S., the third largest Co-op in the country, met at Lambeth Town Hall on September 21 to set up "Co-operative Advance." A fierce struggle between right and left in the R.A.C.S. has been taking place for many years. This recently reached its height when the right proposed more than 200 changes in the rules of the Society which would have freed the committees of the Society from members' control. In spite of a smear campaign these proposals were roundly defeated by the members,

1758 The Norwegian Labour Party, back in power again this week after its first spell in opposition for 28 years, made strong gains in the local election held September 23rd. With only a few results to come in, Labour had 46.54% of the total vote, compared with 44.14% in the last local elections in 1959, and 46.76% in the General Election two years ago.

Of the four parties which took part in the short-lived coalition Cabinet, the Conservatives and the Agrarians made small gains, while the Christian People's Party and the Liberals lost ground. The newly-formed Socialist People's Party (which did not participate significantly in the last local elections) just about held its position from the last General Election, but the minute Communist Party saw its vote virtually halved.

Voters turned out in almost unprecedented strength for the elections - in some places the poll was above 90%. The last few weeks of political crisis comprehensively covered by Norwegian radio and TV, have obviously made a strong impact on the public. Labour voters especially seem to have been stimulated by the threat of defeat to turn out en masse.

Yesterday's victory vindicates the activists in the party who forced through the defeat of Mr. Lyng's coalition Cabinet last week at its very first encounter with the Storting (Parliament). Some Labour strategists had advocated waiting, at least until after the local elections, in order to avoid making concessions to the splinter Socialist People's Party, whose two votes were needed to topple the Lyng Cabinet.

In fact the concessions made to the S.P.P. were relatively unimportant. In his policy statement during last week's Storting debate Mr. Einar Gerhardsen, former Labour Prime Minister, promised a more ambitious social security programme and increased state activity in the banking and credit sectors including the creation of a new State commercial bank. But no concessions were made on foreign or defence policy - the issues on which Labour and the neutralist S.P.P. are most strongly divided.....

The very minor nature of the changes made will certainly irritate the Socialist People's Party.

#### DISCONTENT IN ITALIAN COUNTRYSIDE

On September 24th and 25th the third two-day strike of Italian fruit and vegetable farm workers took place. This was the third such strike in the last two months and nearly half a million workers took part. The strikers want better living and working conditions.

Near Cagliari in Sardinia, about 5,000 peasants held a demonstration on September 23rd in favour of agrarian reform. The demonstrators set up road and railway blocks using their tractors to block traffic. They were brutally attacked by the police and fifteen of them were arrested.

#### STRIKES STOP TWO LEADING DUTCH NEWSPAPERS

Router reported that on September 23rd two Dutch morning newspapers - De Telegraaf and De Volkskrant - failed to appear because of a typographers' strike over the dismissal of one of their fellow-workers. Two evening papers were expected to be also affected, Het Parool and Nieuws Van Den Tag. Typographers also walked out of the printing plant of the Liberal evening paper, Nieuwe Rotterdamse Courant, in Rotterdam over a wages dispute.

#### NEARLY MILLION STRIKE AGAINST HIGH RENTS AND EVICTIONS IN MILAN

All three trade union centres supported the half day general strike in Milan, which involved nearly a million workers, called to protest against the increasing number of evictions in Italy. In recent weeks all over Italy landlords have given tenants notice to pay double or treble rents or quit. A Bill has gone through the Chamber of Deputies authorising local authorities to stop some of the evictions. Similar strikes are expected in other large towns starting with Florence.

1759

We have heard a lot recently about the virtues of the Swedish system of national wage negotiation, notably from Jack Cooper in his Fabian pamphlet "Industrial Relations: Sweden shows the way". In Sweden it was interesting to hear trade union comments on how the system works. Quite a number of union leaders are beginning to feel that the important concessions made by the L.O. (Swedish T.U.C.) to the employers' federation (S.A.F.) are not being justified by the results. The L.O. in the annual negotiations accepts a national 'guiding light' wage increase which is then protected by a legal ban on strikes and enforced arbitration by a Labour Court consisting of three Government appointed judges, two L.O. and two S.A.F. representatives.

Wages have, of course, grown steadily in Sweden in recent years, but not as fast as in some countries and not as fast as they could in Sweden according to some trade unionists. For example, Valter Anderson, President of Stockholm's largest union (Building Workers) said that he had found that despite the wage agreement inflation continued to erode the value of wage increases. Taxes on the ordinary workers' income are heavy in Sweden. "Most important of all," Anderson said, "the employers refused to consider effective means of controlling profits: The whole system would break down if we insisted on this." An official of the Labour Market Research Board drew my attention to figures which bear out this picture. According to the August "International Financial Statistics", published by the International Monetary Fund, wages in Sweden grew by 29 per cent between 1958 and 1962: however, during the same period the cost of living rose by 12 per cent and share prices (the best index of profits) rose by 48 per cent. Between 1953 and 1958 the trend was very similar.

These facts are especially significant in that, as Jack Cooper recognised, Sweden has possessed exceptionally favourable conditions for economic progress - the country has abundant supplies of good raw materials (timber and high grade iron ore), and it has been neutral in the two world wars. In Britain to-day, after a decade of Conservative rule, we need a massive investment programme to renovate industry and to salvage and extend the social services. The question we will face is who is going to pay for this investment. Is it going to be those who brought us to the present economic crisis or is it going to be the working class which has only been the victim of that crisis?

The Swedish unions have never faced an issue like this. British unions may have something to learn from Swedish experience, but this experience certainly does not suggest that in British conditions unions should negotiate away the right to strike.

THE EVIAN AGREEMENT NOT THE KORAN - BEN BELLA from a London correspondent

Le Monde of 25/9/63 carried the text of statements made by Ben Bella at a press conference attended by delegates to the 3rd International Conference of Journalists (among whom was Mr. Adjoubei, chief editor of Izvestia and Khrushchov's son-in-law). I have translated some of the important parts.

"The Evian Agreements are not the Koran for us... We prefer to speak of cooperation, for we are for cooperation. It is in this action for the cooperation of equals that it is necessary to revise and readjust the Evian agreements in line with our socialist choice..."

The President announced that 3 million hectares (about 7 million acres) in all will be exploited by the beginning of the year under the system of self-management, out of a total of 7 million hectares cultivated in Algeria. Out of the 3 m. hectares, he estimated that 2,700,000 came from properties of European colons. "Starting from this agrarian reform," Ben Bella continued, "we shall throw our weight against the private sector which will be reduced little by little as one sheds a scab." After having recalled that the big industrial enterprises are in the hands of the workers, he said, "Things will go very quickly in this domain in 1964. The socialist sector will be of such strength that it absorbs what remains of the private sector."

The Chinese have issued yet another massive missile in their polemic with the leadership of the C.P.S.U., entitled "Is Yugoslavia a Socialist Country?" Needless to say, their answer is no. However, the article does contain one or two new features which are worth noting. Of particular note is that the Chinese - those arch-opponents of 'revisionism' - have introduced a revision to Marxist theory. They say towards the end of the article:

".....it shows us that the restoration of capitalism in a socialist country can be achieved not necessarily through a counter-revolutionary coup d'etat or armed imperialist invasion, and that it can also be achieved through the degradation of the leading group in that country. The easiest way to capture a fortress is from within...." (shades of peaceful transition! Of interest too, is their definition of Yugoslavia:

"...The Tito clique's economy of "workers' self-government" is state capitalism of a peculiar kind. It is not state capitalism under conditions of the dictatorship of the proletariat but state capitalism under conditions in which the Tito clique has turned the dictatorship of the proletariat into the dictatorship of the bureaucratic-comprador bourgeoisie. The means of production of the enterprises under "workers' self-government" do not belong to one or more private capitalists but to the new type of bureaucratic-comprador bourgeoisie of Yugoslavia, which includes the bureaucrats and managers and which the Tito clique represents..."

They raise the question, in the conclusion of the article, of the Soviet Union following the same path:

"....The leaders of the C.P.S.U. proclaim that they have already eliminated the danger of the restoration of capitalism and are building communism. If this were true, it would of course be heartening. But we see that in fact they are imitating Yugoslavia in every way and have taken a most dangerous path. This deeply worries and pains us...."

#### CUBA PUBLISHES HUGE QUANTITIES OF PAMPHLETS

from Hsinhua 22/9/63

The "Editora Politica" of Cuba has recently published 100,000 pamphlets containing the Moscow Declaration and the Moscow Statement (Ed. note: these two are always used by the Chinese to justify their political positions on Yugoslavia, revisionism, etc.) The pamphlet sold well in Havana and throughout the country.

Of late, the "Editora Politica", which is under the direct leadership of the national directorate of the United Party of Socialist Revolution of Cuba, has also published several hundred thousand copies of Lenin's famous works to meet the needs of the Cuban people in studying Marxism-Leninism. These include "Letter to American workers", "Socialism and War", "Imperialism, the highest stage of capitalism" and works on the question of 'violence.

Earlier the national printing house had also published Lenin's important work "The State and Revolution."

The "Editora Politica" is now printing a series of the classical works by Marx and Engels. Already on sale are "Marx and Engels on religion" and Engels "Anti-Duhring."

Under preparation is "On the correct handling of contradictions among people" by Mao Tse-Tung. One hundred thousand copies of this pamphlet will be printed and put on sale shortly.

This and two other works by Mao Tse-Tung, "Combat Liberalism" and "Talks at the Yen-an Forum on Art and Literature" and Liu Shao-Chi's "How to be a good Communist" were already published sometime ago in Cuba.



We reproduce herewith extracts from an interview granted by Che Guevara, Cuban Minister of Industry and number two man in Cuba, to the F.L.N. paper El-Moudjahid. The interview was given on July 23rd and appeared on Aug. 3rd.

Question: Could you tell us about the progress of the revolution in Latin America?

Answer: That's my favourite theme. I cannot always speak of the continuous progress of the revolution because there are periods when the revolution marks time....I our duty to help them free themselves and we will help them in it with all our strength. All our sympathy goes to the movement in "British" Guiana, which will certainly cease to be British.....

At the moment it can be said that there are two countries where the revolutionary struggle has taken sufficient force already to assure its development toward a revolution that will take power and carry out big changes in the political and social structure of these countries - they are Venezuela and Guatemala.....

In Venezuela there are three or four columns of guerilla fighters. There is a front that struggles in the cities and in the countryside. And there is a continuous struggle against the repressive forces and the police. When the guerillas blow up the oil wells, you can see that the movement exists. But every day combat actions go on; the combat is daily.

In Guatemala, too, there are four columns of guerilla fighters. There are two or three different movements that are struggling together and, despite the recent coup d'etat, the government forces can't control the situation, and you can say that it is moving ahead.....

Question: In Brazil how is the agrarian movement led by Juliao (1) developing?

Answer: Yes, Juliao's movement is developing, but Brazil is in a special situation. The Brazilian government is not particularly a government against the people. Clearly there are forces of reaction, like those of Lacerda, who is a genuine fascist, of the militarists who are trying to take power, but there are other militarists who defend the people, and the movement is developing in a different way than, for example, in Peru.

Footnote: (in original) (1) Leader of the leagues of landless peasants who are proceeding to the occupation and collective cultivation of land of the big uncultivated feudal domains.

Question: What is the status of the peasant guerilla movement in Peru since the recent arrest of Hugo Blanco? (2)

Answer: Hugo Blanco is the head of one of the guerilla movements in Peru. He struggled stubbornly but the repression was strong. I don't know what his tactics of struggle were, but his fall does not signify the end of the movement. It is only a man that has fallen, but the movement continues. One time when we were preparing to make our landing from the Gramma, and when there was great risk that all of us would be killed, Fidel said: "What is more important than us is the example we set." It's the same thing. Hugo Blanco has set an example, a good example, and he struggled as much as he could. But he suffered a defeat, the popular forces suffered a defeat.....

Footnote: (in original) (2) General Secretary of the Federation of Peasants of Convention in Peru. Of revolutionary-Marxist tendency. Persecuted for his militant action in favour of a radical agrarian reform, he was forced to go underground where with his partisans he faced the government forces for some months. Taken prisoner, his life is now in danger.

Question: What do you think of the necessity of liaison among the different revolutionary movements in the world?

Answer: Not only is it possible, but it is absolutely necessary to develop all that we can in regard to our knowledge and reciprocal support. The conference of the peoples of Asia, Africa and Latin America, which is to be held in Havana, will be a very important step to reinforce the ties.....

PORTUGAL'S ECONOMIC DEPENDENCE ON ANGOLAFrom Financial Times 26/9/63

With the arrival of the President of Portugal, Admiral Americo Tomaz, in Angola just over a week ago, there is speculation about the activities of the rebels in the north of Angola, near the common border with the Congo. There is at least a possibility that they engage in a few skirmishes and, perhaps, attack isolated coffee plantations as recognition of Admiral Tomaz's arrival. The rainy season has come to an end and the rebels have had some time to mull over their plans in Thysville, their Congo base.

Whatever the rebels do it is likely to be only limited since the 50,000 or so Portuguese troops are far better armed, and their mobility has been much increased. Budgeted expenditure on the armed forces overseas this year amounted to £37.5m. and a big effort is underway in Angola to improve the roads. Ten thousand miles of new roads are being built in northern Angola under a £50m. plan to be executed in the next three years; there is a similar plan for the South.

Dr. Salazar often touches on the place of Portugal's "overseas provinces" in his long public speeches, and there can be no doubt of the importance which the Government in Lisbon attaches to Angola in particular. The primary reason for this is economic; the substantial trade deficit of Iberian Portugal is largely covered by exports from Angola and Mozambique. Coffee exports are worth about £20m. annually, and there are ambitious plans for the development of Angola's mineral resources.

It is expected that iron ore exports will soon be increased to the value of £14m. annually against a present level of little over £1m.; and one is reminded of the statement by Alfred Krupp that Angola is the "last great undeveloped African mineral asset." Krupp is cooperating with the Companhia Mineraria do Lobito in the exploitation of the ore and is giving a loan of £16m. to the company.

Not that everyone is happy about the future of this exposed country. American capital has shown little interest in Angola recently and a Pechinery plan for an aluminium plant with a production of 50,000 tons annually, to have been set up at Dondo by the end of last year, has not yet been initiated.

Dr. Salazar has recently scoffed at "those who believe that Portugal lives mainly on her overseas provinces and that their eventual loss will spell total ruin for her." But this is still a widely held view outside Portugal - though it would be natural to hedge on the formulation that "total" ruin would be the consequence. Certainly it is felt that, from Dr. Salazar's point of view, the loss of Angola could be disastrous.

The Portuguese economist, Dr. Stucky de Quay, has estimated that production in the overseas territories is worth some £250m. annually, one-third of Portugal's national income. Perhaps the best indication of Angola's economic importance is the extent to which Lisbon depends on Angolan exports. Apart from the lucrative coffee exports, diamonds, exclusively exported to the U.K., are worth some £7m. a year.

Portugal also relies on trade with Angola which brought 41% of her imports from Portugal at a cost of £20m. last year.

Portugal is paying heavily for improvements of services in Angola, but capital for industrial development in Angola is to a considerable extent being found outside Portugal. There are in addition to the mineral ore, diamond and coffee interests, a major U.K. investment in the Benguela Railway (investment runs at about £0,75m. a year) and Petrofina's oilfields and refining interests - Petrofina has put in a total of £16m.

Thus it appears that Portugal is not able to take full advantage of her heavy expenditure on services and military effort; while she is keeping the rebels under control she is unable to tap Angola's natural resources to the fullest extent herself - through shortage of capital.