

1	Page	Pinpoint Times wants Government to take hard line on wages
2	Page	Michael Kelly speaks at two meetings on Algeria
		Rotunda in Montreal
		Successful London meeting in Nottingham
3	Page	Labour Party delegation to visit Algeria
		Anti-war women failed again
		Peace Committee sponsored conference statement drops opposition to Poland
4	Page	IRA and rapid increase in number of entry permits
		London Co-op Party calls for closer relations with Cuba

That of Tories

Shipping boss's demand about Eastern bloc competition

Britain's merchant fleet in decline

British releases

New Algerian wages

Evian agreement near

Split in Guyanese

Australian pro-Chinese trade delegation

Johnson's first directive - "Stop up Vietnam"

London's first directive - "Stop up Vietnam"

THE BULLETIN

Letter to Readers

*An Information Service
for
Socialists*

Page	1	<u>Financial Times</u> wants Government to take hard line on wages
Page	2	Michel Raptis speaks at two meetings on Algeria Scientists in Whitehall Successful Mandel meeting in Nottingham Labour Party delegation to visit Algeria
Page	3	Anti-war seaman jailed again Peace Committee sponsored conference statement drops opposition to Polaris
Page	4	Dig and rapid increase in number of salary earners London Co-op Party calls for closer relations with Cuba Labour's policy on Commodity Commissions remarkably like that of Tories
Page	5	Shipping boss's concern about Eastern bloc competition Britain's merchant fleet in decline
Page	6	Doudiaf released before FLN congress New Algerian magazine Evian agreement must be re-studied - Don Bella
Page	7	Split in Ceylonese Communist Party Australian pro-Chinese issue declaration Johnson's first directive - "Step up Vietnam war"
Page	8	Dutch wage freeze punctured Tough wage talks in Sweden
Page	9	Economic hazards from Kennedy's death
Page	10	Alliance for 'progress'? Indian planning failure.

Letter to Readers

Of special interest this week is the Financial Times article on the function of Nicky and the Government action in taking the engineering settlement to that body. This piece is remarkably frank about what it thinks (or rather what big business thinks) Nicky's role should be and how the Government should act in the present round of wage negotiations. Of course, the modifying factor is that the Financial Times does not have to take into account electoral considerations to same extent as the Tories but it remains to be seen how far the Government will follow the advice given.

We have included another item on the much victimised seaman, John Dixon, and hope that readers will make the facts know about this case. The other item on page 3 is a very interesting pointer to the extent to which "peaceful co-existence" concepts dominate those who follow King Street. The British Peace Committee, which always follows the official C.P. line, took a line on Polaris which places it well to the right of the Labour Party conference decision, CND, and nearly everyone else.

The Financial Times of December 2nd carried an editorial which we reproduce: (Ed. Note: our emphasis throughout)

"The reference of the National Incomes Commission of last week's settlement in the engineering industry will provide Nicky with its most important work so far. Some 3m. workers are believed to be covered by the engineering settlement; and it is known that most, if not all, the workers in the industry get wages a good deal above the minimum rates. But the structure of the industry, and of wage rates inside it, is a complex one; sorting out who these 3m. workers are, estimating the plus payments they are already receiving, and - most of all - attempting to find out whether the various sections of the industry have increased productivity to an extent which justifies an award above the "guiding light" will be a herculean task.

"There are two ways of looking at this reference. First, it can be seen, as the Chancellor was half hinting that it might be seen, as a piece of basic research work; Nicky will be drawing up a picture of the industry, and of large firms like Vauxhall and Fords which flank it, which will be useful for many years in evaluating the economic significance of what, after all, is the country's largest wage claim. On this basis, the investigation is likely to be a success.....An investigation by Nicky, aimed purely at "clarifying the economic issues" would be a valuable exercise.

"But few people, least of all the trade unions, will be inclined to see the National Incomes Commission's work in quite this light. It is, more or less directly, designed to stop the wage award to engineers spreading to railwaymen, busmen, shipbuilders and other categories of workers whose pay is traditionally linked to that of the engineers. Such a spread cannot with certainty be stopped even with the help of Nicky,...But what the Government is hoping - as it hoped without success when the 5% settlement was announced at Ford - is that the investigation will highlight such facts as the fast rise in engineering productivity and the longer period than usual between settlements. Such facts would, it is hoped make the engineering award appear a special case, and not one to set a precedent for a large part of industry.

"...The plain fact about wage settlements is that they go up when business improves - at the least, employers want to make a settlement quickly so as not to face bargaining in a tighter labour market - and go down when business is slack. Beyond this, it is true that Nicky, by interposing another procedure through which a union settlement must go, slightly tilts the balance of bargaining power towards the employers; and, it probably slightly reduces the size of the claims that the unions make and that the employers are prepared to concede. The building settlement was a case in point. But the total result,...is probably marginal. And it is not achieved without cost.

"This cost is simply union co-operation in other fields of business, and especially on Neddy. In order not to disturb relationships there, the Government has been treading somewhat anxiously with the Incomes Commission; but the present reference, just before the union elections of Sir William Carron and several members of his team in the A.E.U., is not likely to make things easier. But it would be worthwhile, on one condition - which is that the Government now turns its mind to some of the equally effective, but even less easy, ways in which the spread of the engineering settlement can be stopped. One would be for the Minister of Labour to announce in public that the shipbuilders should not follow on from the engineers. Another would be to face, if necessary, a railway strike rather than give a large increase there. Another again would be to stand up firmly to the London busmen. Nicky is no real substitute for hard decisions such as these."

1838 On Thursday, November 28, with Judith Hart, M.P., in the chair, Michel Raptis with the Algerian Ambassador present addressed a group of left wing Labour M.P.s on the problems of Algeria. It was announced at the meeting that Barbara Castle and Jennie Lee would be visiting Algeria on a North African tour - on behalf of the N.E.C. (Ed Note: see elsewhere on this page) The discussion that followed in the room at the House of Commons ranged far and wide from the question of Boudiaf to the question of workers' management. An important document by Richard Fletcher on Algeria and the Labour movement was distributed at the meeting and received general support.

Next day, a packed meeting at Friends House, Easton Rd., took place to hear Raptis speak on the Algerian Revolution. Although there was little publicity for the meeting, the success of the meeting pointed to the big interest and support for the Algerian Revolution amongst the best workers in the Labour Party, and colonial students and workers in Britain.

SCIENTISTS IN WHITEHALL

from a London correspondent

Some four to five hundred people packed into York Room, Caxton Hall to hear Richard Crossman speak on "Scientists in Whitehall" at a meeting organised by the Fabian Society in their Autumn lecture series. Crossman began by reviewing the old Clause 4 controversy between himself and Anthony Crosland, and emphatically reaffirmed his belief that he had been right on this issue. In a sweeping lecture covering the implications of the "second industrial revolution", Crossman argued that the scientific revolution underlined the necessity for socialism and for the extension of public ownership.

Unfortunately, he did not follow through his argument to a logical conclusion by committing himself to further nationalisation, but confined himself to a criticism of the set-up of the Ministries at Whitehall which he said, inhibited the Ministries from absorbing the latest developments in science and technology by employing too few scientists. The discussion was short, bitty and inconclusive.

SUCCESSFUL MANDEL MEETING IN NOTTINGHAM

Some 80 people turned up to hear Ernest Mandel speak in Nottingham on Friday, November 29th, at 7.30. (earlier in the day some 30 attended a meeting in the University to hear him speak, despite numerous strokes of bad luck including a car breakdown and the fact that the Mandel meeting clashed with an important students' union meeting). Speaking on neo-capitalism, Mandel traced the economic, social and political roots of what is known in Britain as ^{the} welfare state. His talk provoked a lively range of questions and points of discussion. The interest was such that eventually the meeting ended because the caretaker of the hall insisted on shutting up. The meeting was notable for the number of labour party and trade union activists who attended.

LABOUR PARTY DELEGATION TO VISIT ALGERIA

At its November meeting the N.E.C. of the Labour Party decided to send three of its members, Barbara Castle, M.P., Jennie Lee, M.P., and William Rathbone president of the N.U.R., as a delegation to Algeria, Morocco and Tunisia. The decision was taken arising out of discussion of resolutions submitted by two C.L.P.s - West Lewisham and South Nottingham - to the Annual Conference (but not discussed there because of lack of time.)

The decision to send a delegation shows that the leadership of the Labour Party is not openly hostile to the Algerian Revolution and that pressure from trade unions and C.L.P.s could do much in the campaign to get a Labour Government to assist Algeria by trade and aid.

John Dixon, the 20-year-old able seaman in the Royal Navy who objects to military service on conscientious grounds, has been imprisoned again. He is serving a 90-day sentence in an army prison in Singapore. This is the third long sentence John Dixon has served as a result of his belief in non-violence. Last February he announced his refusal to make a mockery of his pacifist beliefs by continuing his 12-year engagements in the Navy and he went absent without leave. He was sentenced to 89 days' detention.

This sentence was one day shorter than the minimum period - 90 days - which a service-man must spend in jail if he is to be allowed to go before a conscientious objectors' tribunal. There is no way of getting out of the services on conscientious grounds other than by receiving a sentence of 90 days or more for an offence against military regulations.

Last June John Dixon refused to rejoin his unit after leave, and was sentenced to 90 days' imprisonment. In these two sentences he did a total of 60 days in solitary confinement. Finally on September 23 he appeared before a conscientious objectors' tribunal but he did not secure release from the Navy. No reason was given. On September 25 John Dixon was sent out to the Far East. Neither his fiancée nor his family were informed by the naval authorities until enquiries were made by them on September 26.

It is now learned that after the Navy forcibly transported him to Singapore John Dixon managed to escape temporarily and so evaded his ship. He then gave himself up, and was sentenced to a further 90 days imprisonment.

PEACE COMMITTEE SPONSORED CONFERENCE STATEMENT DROPS OPPOSITION TO POLARIS

Peace News, November 29th, carried the following report:

Last weekend's congress at Islington Town Hall on the theme of "Breakthrough to Disarmament", organised by a body closely connected with the British Peace Committee, took little advantage of the present mood in the peace movement or of the current political situation to discuss details of how the breakthrough could be brought about. The most precise proposals made to it were that delegates should send postcards to the British China Friendship Association asking for the entry of China into the UN and to the British Government asking for the recognition of East Germany. The finally agreed policy statement differed only from the draft (presented to delegates within an hour of their arrival at the hall) on one point of substance - the deletion of any reference to Polaris and the mixed-manned force.

Attempts made by some CND delegates to amend the final draft so that it included reference to the importance of unilateral initiatives were frustrated, not by the Congress itself, but by the Conference Arrangements Committee, and the decision was defended by the platform firstly on the grounds that organisations were present that were not unilateralist; and later that unilateralism was being used by the enemies of the peace movement. Finally, the Hon. Ivor Montague came to the rostrum to support the Committee's action by apparently accusing the amendment of attempting to deprive nations of the right to be free. This was followed by prolonged applause. Despite the circulation of the Rusk-Zorin agreed principles for Disarmament which was sent to delegates beforehand, there was no attempt to discuss them.

The overall impression was that of a conference attempting to secure paper unity at any price and failing to achieve anything worthwhile other than a cosy togetherness marred by dissatisfaction of those delegates who met the apparatus of self-appointed preparatory committees, previously prepped lists of speakers and the working of a Conference "Arrangements" Committee for the first time.....

In the November issue of the Treasury Bulletin for Industry there was an article about the increase in salary earners, the main points of which were: "In compiling its statistics, the Ministry of Labour uses the term 'salary earner' to connote anyone employed on administrative, technical, clerical or similar work. In this special sense, the distinction between the wage earner and the salary earner is that between the manual worker and the non-manual worker (with shop assistants counted as wage earners), not that between the weekly paid and the monthly paid employee - though probably the majority of salary earners are paid monthly. The rapid rise in the number of salary earners reflects a shift from manual to clerical, administrative and technical work within the labour force."

Although the number of salary earners in manufacturing rose every year between 1952 and 1962, after 1955 the number of wage earners fell every year with the exception of rises in 1960 and 1961.

Last year there were 100,000 fewer wage earners in manufacturing than in 1961, but there was an increase of 30,000 salary earners. The increase of salaried employees reflects both the upgrading of many manual jobs and the rapid growth of many sectors of the economy, particularly service industries such as banking and finance, insurance, in which administrative, technical and clerical jobs are predominant.

Income from salaries is now nearly two thirds the size of income from wages. In 1955 it was only half as large. The salary proportion varies in different sectors of industry and is, for example, 60% of the size of the wage bill for manual workers in gas, electricity and water, and 11% in mining and quarrying.

Quoting the Ministry of Labour, the Bulletin says that the average weekly salary for all males in manufacturing in October 1962, was £21 5s 7d. Between 1955 and 1962 average salary earnings rose by 47.7%, while average wages rose by 42.9%.

LONDON CO-OP PARTY CALLS FOR CLOSER RELATIONS WITH CUBA

At the London Coop Party annual conference held Sunday, November 24th, Mrs. Chaplin, Holborn moved a successful resolution asking for Labour and co-operative movements to study ways of improving trade, economic and cultural relations between Cuba and Great Britain. The resolution also urged that the C.W.S. carry out direct negotiations with Cuba for the purchase of sugar and other commodities.

Full discussion also took place on a resolution which viewed with misgiving London Society's policy of instant dividend, and asked that the society should revert to dividend in all shops.

Moving this, Mr. A.J. Fielder, Hounslow, said that ever since the society introduced instant dividend there had been confusion among shoppers. When the baker delivered goods the customer received a dividend check, but if the customer wanted to buy the same goods in one of the society's stores, she would get no dividend.

Speaking for the board of management, Mr. R. Ledger, M.P., said the society had not introduced a complete policy of instant dividend, and it was well aware that the scheme had not produced all the results which were expected. A report is awaited from the food trades' manager.

After much discussion the resolution was carried.

LABOUR'S POLICY ON COMMODITY COMMISSIONS REMARKABLY LIKE THAT OF TORIES

The Co-operative News of November 30th carried an item by J.M. Wood, a regular contributor on political affairs, covering Labour's view on commodity commissions to help stabilise the price of primary agricultural products. The item ended "...superficially (this policy) ..has a remarkable resemblance to that now being pursued by the Conservative Government."

SHIPPING BOSS'S CONCERN ABOUT E. BLOC COMPETITION from a T.U. correspondent

The following report appeared in the November 23rd issue of Lloyds List: "Hanging over the murky scene of the United States' 'clumsy shackles devised by 19th century trust-busters' was the growing shadow of Eastern bloc shipping, warned Sir John Holt, a manager of Alfred Holt and Co. Speaking at the biennial dinner of the Swansea Chamber of Commerce yesterday, Sir John said that it was to be hoped that the U.S. government would eschew the ultimate folly of encouraging the Russians to expand their fleets still further by denying them the use of the cheapest western shipping for their impending imports of grain.

"Discussing the problem of costs, Sir John said that technological improvements would certainly cheapen the cost of manning and maintaining hulls and machinery, and perhaps of handling cargo, and there might be some economy from the growing size of ships, though that would be limited by the general cargo carriers' respect for consumer choice, which demanded a constant flow of service in smaller operational units than the economic maximum.

" 'During this year, for example, I have loaded over 20 ships in Swansea for various parts of the far East - had I offered the theoretically practicable and possibly cheaper alternative of two or three sailings over the same period, my customers would not have thanked me.' He added that to send a box of tin plates 10,000 miles to North China costs little more than the 1,000 mile journey to Bergen and only three times as much as the price of a day's run from Swansea to Aberdeen.

"It was the purpose of the British Liner Industry, Sir John continued, to match the cost and, if possible, exceed the quality of competitors' shipping service available. But the obstacles were immense. All over the world new countries were striving to develop merchant fleets and we must resist as best we can artificial efforts to divert the flow of goods to national flags.

Later in his speech, he said: 'Over this rather murky scene hangs the growing shadow of Eastern Bloc shipping, trading apparently without regard for cost, and able, if they will, to destroy the maritime economy of the free world. Not surprisingly all these horrors have brought the traditional maritime countries of Europe closer together. Their governments and shipowners have been considering the best response to the situation which I have outlined, and recently they have drawn in the traders - represented by the shippers' councils - who are fully aware that these attacks on such an important segment of private enterprise may threaten the whole system.

" 'Though the course is obscure and the outcome of the voyage uncertain, we can be glad that the objective is so clearly seen by this multi-national force, which still controls the greater part of the world's shipping and, as the 16 European Ministers of Transport have declared, is only seeking to preserve the free flow of international shipping services.'"

BRITAIN'S MERCHANT FLEET IN DECLINEfrom Financial Times 27/11/63

Although the U.K. still operates by far the world's largest active fleet of merchant ships, the size of this fleet declined slightly in the year to July, 1963, for the first time in ten years. By contrast the world total of merchant shipping rose over the same period by 5.9 m. gross tons to 145.9 m. tons. The British fleet contracted during the year by 93,000 tons to 21,561 m. tons, mainly as a result of scrapping of elderly tonnage. All of this decline must have occurred in the dry-cargo sector of the fleet as the size of the U.K.'s tanker fleet rose by 331,000 tons over the period to 7.79 m. tons. According to Lloyd's Register of Shipping the U.S. merchant fleet showed the only other national decline during the year, of 140,000 tons to 23.1 m. tons....

BOUDIAF RELEASED BEFORE F.L.N. CONGRESS

from a Paris correspondent

Mohamed Boudiaf, who was arrested on June 21st on a charge of plotting against the Algerian Government, was released on November 16th, having been in prison without trial during these 5 months. At a press conference after his release, Boudiaf pledged continued opposition to the Ben Bella regime, with similar criticisms to those of Ait Ahmed's "Front of Socialist Forces" right wing opposition, which recently sought to mount an armed rebellion based in the Kabylie region. He considered that Ben Bella has attempted to build "a hasty and precipitate socialism", thus echoing Ait Ahmed's denunciation of Ben Bella's "hasty and exaggerated nationalisation".

Considerable speculation has been aroused by Boudiaf's release and the negotiations between Ben Bella and opposition leaders such as Ait Ahmed, Belkacem Krim, Ferhat Abbas and Mohamed Khider, the former general secretary of the F.L.N., as these actions could signify an agreement between Ben Bella and the "Kabylie Opposition" to free political prisoners and to create a commission to prepare for the coming F.L.N. congress in which all tendencies would be represented. This would appear to be a shift to the right. Such speculations were cut short, however, when Ben Bella, speaking in the Algerian National Assembly, stressed that Algeria was not going to give up its socialist option. He said of the recent conferences and discussions that he stood for free and clear expression of all socialist ideas at the coming F.L.N. congress, but that non-socialist opinions would not be tolerated at the congress. According to an article published in Revolution Africaine, three tendencies can be distinguished among the F.L.N. activists: one favouring state capitalism, another standing for a socialism that is vague and ill-defined, and a third that is militantly Marxist.

NEW ALGERIAN MAGAZINE

from a Paris correspondent

L'Algerie dans le Monde, a new monthly magazine published in Algiers, should prove of interest to everyone following developments in the newly independent country.

The first issue contains factual material on the rebellion in the Kabylie and the Moroccan border aggression, as well as texts of important speeches, resolutions, etc. A special section reports the activities of friends of Algeria, particularly those associated with groups attempting to organise non-governmental aid for Algeria. Their work is reported country by country.

A one-year subscription is listed at 500 old francs (about \$1 U.S., or 7 shillings U.K.) The magazine is published only in French. The address: Algerie dans le Monde, 26, rue Ben-M'hidi-Larbi, Algiers, Algeria.

EVIAN AGREEMENT MUST BE RE-STUDIED - BEN BELLA

based on Hsinhua report

The 1964 afforestation campaign was unfolded throughout Algeria on December 1st.

President Ben Bella, accompanied by government ministers and diplomatic envoys, attended a ceremony held in Arbatache, about 40 kilometres south east of Algiers. Addressing thousands of volunteers in this mountainous region, Ben Bella said that after the fulfilment of the 1964 afforestation plan, Algeria would be able to make use of its forestry and agricultural resources.

He said, "We have said that with regard to the problem essential to the future of our economy it is necessary to restudy the relations established by the Evian agreements which were concluded in a particular situation then existing between us and France."

A proclamation was issued Nov. 22nd by 118 members, including 10 members of the Central Committee, of the Ceylonese C.P., to all Marxists-Leninists inside the party, announcing their decision to convoke the 7th Congress of the organisation as soon as possible. A summary of the declaration is as follows: "We the undersigned Marxists-Leninists in the C.P. do hereby accuse the present majority of the Central Committee of having destroyed the unity of the party and brought it to the verge of split and reducing its influence by the following actions-

Failure to hold the 7th Congress of the Party within 2yrs. of the previous Congress.

Abandoning Marxist -Leninist standpoints as embodied in the Moscow Declaration, and Moscow Statement.

Refusal to heed the requests of more than $\frac{1}{2}$ the membership to settle the present dispute in the party.

Exclusive reliance on parliamentary methods as the means of winning power peacefully for the working class.

Failure to organise the peasantry.

Failure to translate marxist classics into Sinhalese.

Failure to produce a daily working class newspaper.

The Declaration goes on to declare to Central Committee unconstitutional and has no right to speak on behalf of the Party.

AUSTRALIAN PRO-CHINESE ISSUE DECLARATION

from Hsinhua.

The break-away faction of the Australian C.P., headed by B. Hill, has issued a "Declaration of Australian Marxists-Leninists", which accuses the C.P.S.U. of 'nurturing a revisionist group in the A.C.P. headed by L. Aarons and members of which had been put in key positions.' 'Throughout 1961, the revisionist elements in the political and central committees gradually made headway. Sharkey was surrendering to them; many changes on one pretext or another were made in leading personnel.' the declaration states, and goes on to accuse Sharkey, until 1961 an opponent of 'revisionism', of deserting 'Marxism-Leninism' - "Sharkey spent many hours with Soviet Party leaders.....When he returned to Australia, he proceed in consultation with the leaders of the C.P.S.U., to repudiate publicly the Moscow Declaration..."

Later on the document states that any discussion that Sharkey had with Mao Tse-tung and the Chinese leaders was perfectly in order- 'because all parties were upholding Marxism-Leninism.'

JOHNSON'S FIRST DIRECTIVE- "STEP-UP VIETNAM WAR."

The 'Economist' of November 30th reported: "How uneasy the military situation is in South Vietnam is reflected by the fact that President Lyndon Johnson's first directive was an order to all departments concerned in the American effort there to pull together...."

"...Some hours before President Johnson met his advisors more than 200 Vietcong guerillas filtered into a special forces training camp outside Saigon, killed 37 government troops and one American officer, and got away with a large quantity of arms. To the south, in the Plain of Reeds, a critical situation has developed; in this area, Government control is believed to be nominal, and the Vietcong are now operating with heavily armed battalions. General Duong Van Minh, the leader of the anti-Diem coup, has told the press he intends to arm the politico-religious Caodist sect, as the French did, and set its faithful against the Vietcong. It was General Minh who crushed the Caodist and other sects in Saigon in 1955 on behalf of President Diem. However, the new prime minister, Mr. Tho, who was Mr. Diem's vice-president, has kept links with the Caodists and has now allowed their exiled "pope" to return..."

DUTCH WAGE FREEZE PUNCTURED .

based on 'Economist' report.

Pacemakers as ever in wages, it is Holland's heavy engineering and shipbuilding industry, whose employers and unions agreed this week on a new collective contract for next year comprising of a 10% wage increase. This is part of a wage pressure that will put Holland to the severest of its postwar tests; there is a clear danger of major damage to the economic and social development so carefully nurtured over the past five years. This progress has followed success in holding down internal costs. Strain in the labour market was inevitably translated into demands for higher wages, and the paying of "black" wages spread rapidly over a number of industries. However, these concealed wage increases did not serve to check unrest, and workers in several industries, independently of the unions in some cases, demanded substantial wage increases and a cash bonus to be paid before the end of the year. Some workers, particularly in the metal industry, added emphasis to their demands by staging short unofficial strikes. The terms of national wage agreements prevented many, otherwise willing, employers from meeting the wage demands. Moreover, employers who ignored the agreement and started to pay higher wages were fined by the government.

But the engineering agreement has followed upon negotiations between the leaders of the three main union federations and the employers' organisations on a new collective agreement for 1964, on conditions of employment, and new social security measures. Their recommendations, which the government has accepted, call for a general wage increase of 5% from January next, to be followed, within a few months, by a second increase varying from between 2 and 5%. The unions have also agreed that because of the size of the wage increase employers should be allowed to make certain price increases.

These price increases will only partly offset what is a fairly large shift in the division of the national income. At the same time the government has announced its intention to increase the taxes on cigarettes and petrol, and it has left no doubt that further measures will be taken at short notice should the need arise.

TOUGH WAGE TALKS IN SWEDENfrom Financial Times 27/11/63

After preliminary talks...the Confederation of Employers (SAF) and the Confederation of Trade Unions (LO) met November 26th for the beginning of what may turn out to be the toughest wages talks in Sweden in the post-war era. The present two-year agreement is due to expire next February and this time SAF have warned that the decline in profitability may hazard industrial investments vital to maintain economic growth. Lower profitability has made itself felt in the export industry and in that sector of the home market which is competing with imports.

Other factors to be taken into consideration at this year's labour market negotiations are the heavy increase in costs over the past four years and the lower rate of expansion. The LO's tactics this year are based on having a number of claims such as severance pay, lay-off pay and more sick benefit met, before they will state the size of the general wage increase they are seeking. It is known that the talks will be protracted, possibly well into the New Year and the bargaining extremely hard, also the chances of reaching a satisfactory settlement are not rated high, but the LO has said that they do not anticipate strike action and are hoping that their claims will be met.

.....For reasons of domestic political diplomacy, men of more conservative attitudes had been kept or installed in the actual offices of economic execution; the sharp young radicals had whirred out their ideas in the White House in some isolation, with President Kennedy acting as the connecting wheel to keep things moving. He could act as 'governor' in this fashion because he was able and willing to come to grips with the argument and grasp the technical issues; because he recognised the need for a shrewd balance between the best of established banking and financial opinion and the straining ideas of the modernists which he was disposed to share; and because he fully saw the limits set to the pace of movement by the obligation to protect the dollar and not to upset the stability of world currencies, by the requirements of America's own aid and defence policies, and by economic prejudices of Congress.....

The policy consisted of a moderately successful reflation of demand; a remarkably successful direct assault against cost inflation (controversial though last year's steel showdown proved to be); and, however, uncertainly, the beginning of perhaps the first intellectual approach yet to a balance of payments problem - without either unnecessarily deflating an economy, or devaluing an exchange rate, or defaulting on aid and military commitments overseas. Now the connecting wheel which kept things moving, and in balance, has gone. The risk now is that the central engine for a progressive policy could become too stationary again.

This hazard impinges on three fields. First, the recovery in American industrial production is already nearly three years old. That recovery might, in the normal course of the trade cycle, soon be expected to lose some of its momentum. President Kennedy belonged to the generation and school who would have wished to move swiftly, but in his case safely too, to restimulate demand. It has to be seen whether President Johnson would be similarly spurred, and anyway the threat of a slowdown, which is not in sight yet, may well not arise during his period of office. If it does, outsiders can only hope that a post-Kennedy administration will be seized of the fact of how quickly even a temporary limp in the American economy must become a major source of political as well as economic weakness to the whole free world.

Secondly, President Kennedy was in advance of his own Treasury ministers in recognising the need for improvement in the whole system of international payments, through a radical reform of the International Monetary Fund. He had himself declared that "one of the reasons that new sources of international liquidity may well be needed is that, as we close our payments gap, we will cut down our provision of dollars to the rest of the world." The contingent risk is that the new administration might be even keener than the old on cutting America's balance of payments gap, perhaps by blunter methods - and without at the same time seeing the that large measures to increase world liquidity will then become quite vital.

A third major danger, already existing before President Kennedy was killed, is that the drive towards freer world trade may slow down, and that next year's round of tariff negotiations in Gatt (a round which still bear President Kennedy's name) may decelerate into virtual ineffectiveness. Here again the implication for Britain is that it ought itself to take bold initiatives in an effort to maintain the impetus towards more liberal international trading for which President Kennedy would have stood..... The aching gap which has been blasted in the economic government of the free world could be a gap in innovating unorthodoxy.....

ALLIANCE FOR 'PROGRESS'?based on Militant article

The Alliance for Progress was formed in 1961 with the aims of furthering democracy and political stability in the Latin American countries. At its 2nd Annual Review Meeting in November it became evident that the Alliance had succeeded in creating neither political nor economic stability, and was, in fact, a complete failure, as only Chile, Costa Rica and Uruguay out of the 19 constituent countries were described as stable by the N.Y. Times recently, and 5 governments have been overthrown since its formation.

Behind this failure lies the myth of U.S. aid to under-developed countries. This does not exist, but has been, in fact, vastly to the advantage of private investors, who have long since turned away to more profitable markets, thus defeating the hopes of the Alliance that they would invest equally with U.S. Government funds. Between 1950 and 1955, 2 billion dollars were invested, 3½ billion were made, and thus 1½ billion were taken back to the U.S. In 1959 alone 775 million were made, but only 200 million were re-invested. In the last 7 years Latin America has lost \$2,679,000,000.

At the moment these countries are facing the problems of severe inflation (in Brazil the cost of living has risen 100% this year) and rising population, while the Alliance's economic drive to increase per capita income by 2½% per annum has been a dismal failure. Latin America was much better off before it became the recipient of U.S. 'aid' (in reality this is largely in the form of commercial loans), because now, when the time for repayment comes, drastic measures have to be taken to avoid bankruptcy. In Argentina and Peru this situation has led to attempts to take over the U.S. owned oil industry.

It becomes increasingly obvious that the only way to stabilize the economies of the Latin American countries is to make them independent of high-priced imported manufactured goods, by developing their own industries, instead of having to sell their native raw materials at the disadvantageous prices that the industrial countries will pay.

INDIAN PLANNING FAILURE.from the Financial Times 27/11/63

India's third 5 year plan is likely to fall short of almost every target when it ends in 1966, judging from an official report by the Planning Commission published in New Delhi on Nov. 26th. The report, a mid-term appraisal of the plan, has been placed before Parliament. It said the country's planned rate of economic development in the past two years had fallen off seriously.

It put the blame mainly on set-backs to agriculture caused by two bad harvests, but also referred to "the new burdens and responsibilities" borne since last year's border clash with China. The 200 page report showed that the annual rate of increase in the national income over the past two years had been only 2.5%, -½ the expected rise. This had been cancelled out by the population increase, which, also estimated at 2.5%, and may be as high as 2.7%

Industrial production increased by only 8%, against a planned average rise of 11%, although some individual industries had registered high expansion rates.

The report said food production had dropped over 2m. tons last year, but prospects for this year's crop seemed good. However, figures given in the report showed that the price index has risen 8% in the last nine months, with the bulk of the increase in the price of food, particularly rice and sugar.