

WORLD MARXIST REVIEW

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PROBLEMS OF PEACE AND SOCIALISM



LENIN'S NAME HAS COME TO SYMBOLIZE THE VICTORY OF THE GREAT OCTOBER REVOLUTION AND THOSE IMMENSE REVOLUTIONARY ADVANCES WHICH HAVE RADICALLY CHANGED THE FACE OF SOCIETY ON EARTH AND SIGNIFY THE TURNING OF MANKIND TO SOCIALISM AND COMMUNISM.

(From the address of the International Conference of Communist and Workers' Parties "Centenary of the birth of Vladimir Ilyich Lenin.")

WORKERS OF ALL
COUNTRIES, UNITE!

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and socialism**

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The Lenin year

1970 is the Lenin year. April 22 will mark the centenary of the birth of Vladimir Ilyich Ulyanov-Lenin. His genius as a theoretician, his political wisdom, his art of leadership of the class struggle and the building of socialism impelled the revolutionary transformation of the contemporary world. Like Marx and Engels, Lenin belongs to all humanity.

Lenin has gone down in history as a great thinker who comprehensively developed scientific communism, founded by Marx and Engels. Lenin brilliantly demonstrated the application of revolutionary materialist dialectics—this universal means of cognizing and transforming reality, this powerful ideological and theoretical instrument of the Communist and Workers' parties. Marxism, Lenin taught, is a scientific theory, a guide to practical activity. He was implacable towards opportunism in any form.

Lenin has gone down in history as a great revolutionary, the founder of the Bolshevik Party—the first proletarian party of a new type—as the leader of the world's first victorious socialist revolution, and the architect of history's first proletarian state, of Soviet socialist democracy. Lenin generalized and applied the experience not only of the Russian, but also of the international Communist and working-class movement, the achievements of world science and culture.

Lenin has gone down in history as a steadfast fighter against imperialism and reaction. At the time of the betrayal by the nationalistic leaders of the Social-Democratic parties affiliated to the Second International, of the political adventurism of the "Left" and all kinds of other deviations from Marxism, Lenin consistently held aloft the banner of proletarian internationalism, of socialism, peace and friendship among nations.

Leninism is the Marxism of our epoch, the epoch of the revolutionary transition from capitalism to socialism, the epoch of the rise of the new, socialist society. Lenin's teaching helps to find the answers to the pressing questions posed by historical development and modern science. His ideas are a living source of revolutionary action.

Lenin's teaching on imperialism enables us to see the nature of present-day state-monopoly capitalism, to rally the anti-imperialist forces in the fight against the capitalist system and aggressive wars, and for peace and social progress. The Leninist doctrine on the leading role of the working class, the alliance of the working class with the peasantry and other working people, has become the underlying principle of revolutionary strategy and tactics, of the science of building socialism. Leninist organizational principles, norms of Party life and democratic centralism are basic to the work of the Communist and Workers' parties, to harmonizing international and national interests for the triumph of socialism. Lenin's teaching on the socialist revolution is now, as it was in the past, the basis for elaborating the ways and forms of the revolutionary transition to socialism in countries of differing levels of capitalist and pre-capitalist development. The tasks associated with the building of socialism and communism, charted by Lenin, show the main lines for the building of the material and technological base of the new society, the shaping of its social relations and the education of its builders.

Leninism is an international teaching. It is integral Marxist science, creatively applied to the specific conditions of any country. Loyalty to Leninism is the guarantee of further success in the Communist movement.

Guided by the teaching of Lenin, the international revolutionary movement has

reached a higher level. Marxist-Leninist parties are functioning in most countries of the world and have grown stronger. The Communist movement is now a truly worldwide force, the most influential political force of our time.

Leninism is the victorious teaching of the builders of the new life. The "Centenary of the Birth of Vladimir Ilyich Lenin"—the Address unanimously adopted by the June 1969 International Meeting of Communist and Workers' parties—stresses: "The victory of the socialist revolution in a group of countries, the emergence of the world socialist system, the gains of the working-class movement in capitalist countries, the appearance of peoples of former colonial and semi-colonial countries in the arena of socio-political development as independent agents, and the unprecedented upsurge of the struggle against imperialism—all this is proof that Leninism is historically correct and expresses the fundamental needs of the modern age."

All who are working for peace, democracy and socialism are inspired by the vivid example of Lenin's life and work, by his life-giving ideas. The call of the International Meeting of Communist and Workers' parties to mark the centenary of the birth of the great Lenin in a worthy manner, has met with universal response.

Throughout the world preparations are under way, under the leadership of the Communists, to celebrate this momentous date. The working people are expressing in countless ways their boundless affection for Lenin, their profound gratitude for all that he did for the happiness of the exploited, oppressed and downtrodden, for the victory of socialism and peace on earth. The working people of the socialist countries have initiated nationwide emulation to reach industrial and agricultural targets ahead of schedule.

The Communist and Workers' parties, stepping up their revolutionary activity, their political and ideological work among the masses, are drawing up plans to further popularize Leninism and Lenin's theoretical heritage. In many parties 1970 will be a year of Lenin Enrolment. All new members of the great army of Communists will be issued memorial Party cards and badges with Lenin's image. Furthermore, centenary preparations coincide in many cases with the fiftieth anniversary of the founding of Communist and Workers' parties.

In many countries anniversary committees have been set up composed of prominent personalities in the Communist and working-class movement, of representatives of democratic and progressive organizations and societies, and of the women's movement, of peace champions, eminent scientists and artists, youth leaders, and leaders of the liberation struggle. The General Conference of UNESCO is organizing various events to mark the centenary and the historical impact of Lenin's humanist ideas and practical activity on the development of economic, social, and cultural rights.

Today Lenin is read and studied by millions. The Communist and Workers' parties have done much to circulate Lenin's works. His writings are published in more than 50 countries and in 117 languages. They rank first in the world for translated literature. 1970 will see the publication of hundreds of new editions of his works, studies of his life and revolutionary activity, of topical problems of Leninism, of Lenin's role in developing the revolutionary movement in individual countries and in the international movement. Lectures and papers are being read on Lenin and Leninism, international theoretical conferences and symposiums and exhibitions organized. Writers, artists, composers, are dedicating works to Lenin, to his ideas and work.

The preparations for the centenary act as a powerful factor in rallying the forces of the entire world revolutionary process, inspiring the working masses, the ordinary people in the different countries with revolutionary optimism in their fight against reaction and oppression, for peace and socialism.

Our journal **Problems of Peace and Socialism (World Marxist Review)** is contributing to the creative development of Leninism, popularizing the successes of the socialist countries, of the Communist movement and of all revolutionary forces, achieved on the basis of Lenin's teaching. We shall combat bourgeois and opportunist ideology still more actively and vigorously.

In this Lenin year, the journal takes the occasion to wish its readers, all Com-

munists, all who stand for the socialist reconstruction of society, all supporters of peace and progress, happiness and still greater success.

Long live Leninism—our great international doctrine.

STUDY LENIN'S WORKS! THERE YOU WILL FIND AN INEXHAUSTIBLE FUND OF INSPIRATION FOR STRUGGLE AGAINST REACTION AND OPPRESSION, FOR SOCIALISM AND PEACE. ACQUAINTANCE WITH LENIN'S WORKS WILL HELP THE RISING GENERATION TO SEE MORE CLEARLY THE REVOLUTIONARY PROSPECTS OF OUR ERA.

(From the Address of the International Meeting of Communist and Workers' Parties "Centenary of the Birth of Vladimir Ilyich Lenin").

Lenin's teaching on the Party and Czechoslovak reality

GUSTAV HUSAK

A grand celebration in the international Communist movement and for all revolutionary progressive forces — the centenary of the birth of Vladimir Ilyich Lenin — is drawing near. And in this connection all supporters of the revolutionary heritage of Lenin once again record the greatness of his place in history. This is true also of Czechoslovak Communists presently engaged in the complex task of consolidating the country, politically and economically, following the recent actions of anti-socialist and revisionist forces. For in our highly specific conditions Lenin's behests are most relevant, illustrating as they do the *reasons* for the recent social upheaval in Czechoslovakia and, simultaneously, pointing the way to remedying the situation.

I.

SOCIALISM—THE SOLE WAY FOR CZECHOSLOVAKIA

Our recent history has proved that it is possible, through a broad national liberation movement, to ensure the decisive influence of the working people and its political representative — the Communist Party — and, by effecting profound revolutionary changes, to achieve the aims of the socialist revolution along lines of people's democracy. This has demonstrated anew the viability of Lenin's ideas concerning the dialectical link between the movement for national liberation and the fight for socialism, between the fight for democracy and for building socialism.

This interconnection manifested itself most clearly to the Party in the concrete

situation when the working class in the course of the liberation struggle, and particularly after Czechoslovakia's liberation by the Red Army, was faced with the task of charting the country's transition from capitalism to socialism, taking into account that the former ruling class had betrayed the Czech and Slovak peoples. To the working class fell the historical mission of taking up the banner of national freedom and state independence, of establishing a government, in alliance with the rest of the working people, that would not allow the course of history to be reversed.

Taking the socialist way meant waging a consistent struggle against the class enemy. The various other concepts of building the new Czechoslovakia, based on the idea of class conciliation and aimed at adapting the old class structure to the new social system were more or less camouflaged attempts to restore the pre-Munich capitalist order of things.

The sole historically correct way was indicated by the Marxist-Leninist teaching: the winning of democracy by the working class, the evolution of this class into the ruling class in the state, control of the basic means of production, planned economic management by the state of the dictatorship of the proletariat, transition from capitalism to socialism.

True, strong remnants of capitalism persisted in the initial period of the new social system. The deposed ruling classes still had a grip on key positions which enabled them to hamper the development of socialism, and on which they relied in their restoration attempts. A struggle had to be waged for the complete dictatorship of the proletariat. And even after the victory of the

working people in February 1948, the overthrown enemy classes and the reactionary political forces both at home and abroad still dreamed of restoring capitalism. They not only played on the survivals in the thinking and habits, which were kept alive by hostile propaganda inside and outside the country; they also used some state bodies to further their ends.

The extensive activity of these forces, particularly in the first half of 1968, confirmed once again that they had not become reconciled to the new social system, that they had been biding their time and, with hatred in their hearts, were waiting for the first opportunity to strike again. When it seemed to them that the opportune moment had arrived after January 1968 they bestirred themselves and, invoking democracy, freedom, humanism and progress, they sought to disrupt the socialist system, to undermine our economy and culture and force us to depart from the road chosen by us in May 1945 and return to capitalism with all the consequences arising therefrom for the working people.

This recent confrontation between the representatives of two historical alternatives for our peoples demonstrated anew that socialism can be built only as a result of a consistent class struggle. It demonstrated, too, that the socialist society which we are building can be based only on Marxist-Leninist principles, on proletarian internationalism, that any departure from these principles clears the way for the forces of the old society.

Our people will soon be celebrating the 25th anniversary of the country's liberation and will in this connection be reviewing the results of their work. It can boldly be said that the road taken by our peoples was the right road, since it brought us to the victory of the socialist system. Exploitation of man by man was abolished and the foundations of socialism laid. Output of industry has risen more than fourfold and agriculture, too, has made great headway. The correctness of switching the peasantry to large-scale cooperative farming has been fully confirmed. Good results have been registered also in the social sphere and in living standards, although there is still much that calls for criticism and rectification. Our successes in culture, science and the creative arts, are self-evident.

But in the past ten years, and especially after January 1968, other assessments of our development have been made. Reactionaries have described it as a black period

in the history of our peoples, as a series of blunders and shortcomings, as a phase of stagnation and decline. We have every reason to protest against this belittling and depreciation of the results of our work. This is nothing but a manifestation of petty-bourgeois ideology which turns socialism into an utopia, and adopts a scornful attitude to the results of the constructive efforts of the people, of the revolutionary policy of the Party.

We do not hide the fact that there were in the past many grave deformations and mistakes resulting in a piling up of unsolved problems. We have no intention of ignoring these mistakes. Accordingly, we believe that one of our tasks is to review our work for the past years. Our starting point is the positive results achieved in the last 25 years, and our aim is a more intensive building of socialism. The new leadership does not want to repeat the mistakes and blunders of the pre-January 1968 leadership, which failed to discuss in the country's leading bodies and in the Party and to settle in good time the new problems posed by social development, to explain theoretically and ideologically, and consistently to tackle the ensuing tasks and to rectify their mistakes.

Timely theoretical and practical solution of the new problems is the duty of the Party, a condition and expression of its vanguard role in society. Nor did the Party tackle this job properly also in the post-January 1968 period. It did not ensure the proper solutions from consistently Marxist-Leninist positions. The opportunist and revisionist interpretation of our reality by theoreticians like Sik, Svitak and others, in the economy, in history, philosophy and jurisprudence, was supported by some members of the former Party leadership. It did not sufficiently combat these non-Marxist and non-Leninist views, did not give a correct Marxist-Leninist assessment of them.

Nor has the new political leadership any intention of repeating other mistakes made by the post-January leadership. Although that leadership declared that it was anxious to avoid extreme consequences of political tension, it did not live up to expectations when it was necessary to take effective steps in overcoming the real causes of the crisis. In recent months the new leadership has, by its policy and efforts to end the chronic crisis in our society, shown that it is able to draw the necessary lessons from the past, that it is able to win over the sound, progressive forces of the people. It

sees the prime meaning of its work in developing our socialist system as a whole, in strengthening our Republic in every way, and creating the conditions that will make it possible to make the most of the advantages and motive forces of our social system.

In effecting this qualitative turn in our political work, we are guided by scientific revolutionary theory, about which Lenin wrote: "Marxism differs from all other socialist theories in the remarkable way it combines complete scientific sobriety in the analysis of the objective state of affairs and the objective course of evolution with the most emphatic recognition of the importance of the revolutionary energy, revolutionary creative genius, and revolutionary initiative of the masses — and also, of course, of individuals, groups, organizations, and parties that are able to discover and achieve contact with one or another class" (*Collected Works*, Vol. 13, p. 36).

II.

WE UPHOLD THE CLASS APPROACH AND PROLETARIAN INTERNATIONALISM

While Leninism is rightly described as the Marxism of the epoch of imperialism, we are deeply convinced that it is equally the teaching of the entire historical epoch of the transition from capitalism to socialism on a world scale.

In accordance with the Marxist-Leninist analysis made by the international Communist movement at the 1957, 1960 and 1969 meetings of its representatives, the most progressive, most revolutionary social force of our time are the *working class* and its Marxist-Leninist parties whose leading role in respect to the working masses is an objective law of the socialist revolution and the building of socialism. This applies also to the present stage of the struggle for the socialist development of Czechoslovakia. The ideological world outlook of the working class, its historical interests, mission and goal have become the principal criterion in the process of differentiation and unification, headed by our Communist Party.

Opportunist tolerance of attacks on this basic political principle simply opened the doors to all kinds of reactionaries who appeared on the political scene proclaiming that not the working class but the "intelligentsia of this country" should advance the demand for political power, that an "elite"

should rule. Also, trends emerged which claimed that "the time has come when the revolutionary initiative is taken by the students together with a small section of worker leaders," that "the working masses can play only second fiddle," and so on. This ideological confusion, which brought one class or social group of socialist society into conflict with another, went hand in hand with attacks on the vanguard of the working class—the Communist Party. There were often hysterical shrieks to expel the Communists from the trade unions, from the local councils and even to ban the Party.

Along with open attacks on the working class and its party (particularly characteristic of the Rights *outside* the Party), there were cases of retreat, under pressure of the anti-working class, anti-socialist forces, also in the Party, and even in its leadership, which was often camouflaged with talk about "defending" the interests of the workers. The facts, however, tell a different story as revealed by the composition of delegates to the self-styled 14th Congress (condemned by the Party): only 17.4 per cent of the delegates were workers. There could be nothing more false than the slogan "a working-class policy without the Communists."

In retrospect reaction's true aims stand clearly exposed: to belittle, to deny the historical mission of the working class, its vanguard role as the only consistently revolutionary class throughout the struggle, including the period after the victorious confrontation with the bourgeoisie, and right up to the abolition of classes in general. (This, according to Lenin, will take place when the Communist Party merges completely with the working class, when the entire working class will be Communist and when communism will cease to be an object of contention.) Reaction maintained that the working class had already performed its historical mission. Accordingly there was no need for the political organization of the working class, including its armed forces—the People's Militia which had come into being in the specific conditions of the fight against the bourgeoisie in February 1948. Reaction also attacked the principles and the entire mechanism of the Party's leading role in society.

As earlier stated, our working class has, under the leadership of its Communist Party, made a big step forward along the way to socialism, the significance of which even the nihilistic propaganda of the reactionaries, whose method is to exaggerate

shortcomings and keep silent about achievements, is powerless to dim. However, during the two decades of building socialism it has not been possible completely to change social reality, especially the social division of labor whose character will continue to determine the division of society into friendly classes of workers and peasants and the differences between manual and mental labor, between town and countryside. Labor results do not as yet allow for distributing the national income according to the needs of each member of society; income is therefore distributed according to work performance. The ideological struggle aimed at eradicating the survivals of capitalism as well as bourgeois ideology has not lost its antagonistic character in the country. The 1968 events forcefully showed that the role of the working class also in this phase of building socialism is to reinforce and uphold political power, to draw the broadest masses of the working people into the work of democratic development. The peasantry, the intelligentsia, the youth, all social groups can expect to have their specific interests satisfied only on two conditions: if the basic interests of the working class are satisfied, i.e., if socialism is successfully developed, and if they themselves side with the working class politically.

Being the party of the working class, the Communist Party harmonizes these interests, placing the interests of the collective above the interests of the individual, the interests of the majority above those of the minority, long-term interests above provisional, momentary interests, international interests above narrowly conceived national interests. Herein lies the essence of the Party's role as the leading force of socialist society, the guarantee not only against sectarian mistakes, but also against revisionist calls for a "non-class" party, a non-class "humane" socialism, for democracy, freedom and other abstract concepts with a "human face," calls often heard in the demagogic propaganda of the post-January 1968 period.

The Communist Party's mission is not confined to purely internal interests and relationships, and particularly so today when the world is divided into two class systems, when the socialist system is surrounded by numerous military and political blocs. In this situation the international character of the proletarian struggle, of the Communist Party, comes to the fore. Unless it is true to proletarian internationalism, the working class cannot win, let alone

maintain its political positions against the forces of internationally united monopoly capital.

That is an integral part of the ideology and policy of every Communist Party. Let us examine this fundamental tenet of the Marxist-Leninist teaching in connection with the Czechoslovak events, particularly after January 1968 when reactionary trends of all kinds merged into a stream of bourgeois nationalism, regarding which Lenin said that it represented the greatest danger to the working-class movement. Instead of dialectically combining socialist patriotism values were metaphysically counterposed. The emphasis was solely on national features. There emerged the theory about an exclusively Czechoslovak "model of socialism with a human face" (which even its most prominent advocates could not define); this model was assigned a kind of "Messianic role" on our planet. A slighting attitude to the collective experience of the Communist parties of the countries of the socialist world system, underestimation of the general laws governing socialist development, evolved on the basis of a scientific analysis of the class struggle of the international proletariat, disregard of the friendly advice of the fraternal Communist parties of the socialist countries—all this diverted the Party and the people from the right path. However, they now realize that with effective international help, and by consistently adhering to and implementing the principles of proletarian internationalism and socialist patriotism, they can find a way out of the difficult situation, guided by Lenin's words that "there is one, and only one, kind of real internationalism, and that is—working whole-heartedly for the development of the revolutionary movement and the revolutionary struggle in one's own country, and supporting (by propaganda, sympathy, and material aid) *this struggle, this, and only this, line, in every country without exception*" (Vol. 24, p. 75).

The Communist Party of Czechoslovakia is a united party of equal nations, the Czechs and the Slovaks, and in its internal policy it thoughtfully approaches relations with other nationalities. The recent meetings of our Central Committee (particularly in September 1969), have cleared the way for mutual confidence and international cooperation with the fraternal Communist and Workers' parties.

After January 1968 the former leadership disoriented a large part of the membership not only by a series of incorrect decisions,

but also because it allowed our class allies to be slandered, tolerated patently anti-socialist and counter-revolutionary trends and acts inspired by the reactionaries inside the country who were supported by international anti-communism. That leadership sought for a long time to deceive its best friends in the international Communist movement.

The criticism of the grave mistakes and blunders in the policy of our Party in the recent past is, at the same time, self-criticism by the Party before the international Communist movement, of which we are an integral part.

Today our Party fully realizes that it is historically responsible not only to the working class, to the working people of its own country, but also to the revolutionary trends of the contemporary class struggle all over the world for the successful advance of socialism.

As we proceed consistently to tackle the complex problems of socialist development, we particularly accentuate the following two basic ideas of the Leninist teaching: the need for a class approach and proletarian internationalism.

III.

THE LEADING ROLE OF THE COMMUNIST PARTY—THE BASIS OF ADVANCE

Post-January development in Czechoslovakia was marked not only by doubts on the part of certain forces about the need for the leading role of the Communist Party, but also by direct attacks on this basic principle. These forces challenged the Party's moral and political right to lead socialist society, to be the decisive force of social development. They even challenged the need for the existence of the Party in socialist society. To prepare the ground for liquidating the Communist Party these forces maintained that society would itself, by the very process of objective inevitability, come to socialism and communism.

For Marxism social development under socialism is seen as a process governed by objective laws. It is to Lenin's credit that he smashed the theories about spontaneity advocated by all kinds of opportunists who held forth about capitalism automatically growing into socialism. Lenin substantiated the need for the Communist Party actively to influence the historical process. Our Czechoslovak experience has also corrobor-

ated the soundness of Lenin's teaching on the need for a new kind of revolutionary party, the vehicle of revolutionary class consciousness, for a party that will be the leading political force in society and the organizer of the masses. Practice has confirmed that in our country, too, numerous trends and currents oriented on spontaneous development in society, denied the leading role of the Party or tried to reduce its role to the minimum and assign it a subordinate position.

All kinds of ideologists began to counterpose Leninism to Marxism. Contrary to historical truth they alleged that Marxism attached no importance to the Communist Party. But Lenin, they claimed, created the party in order to subordinate the proletariat to the will of the party leadership, to make it the object of manipulations on the part of the Communist Party. The leading role of the Party in socialist society, they claimed, is a specific, purely Russian phenomenon, and not an international principle. They tried in this way to minimize the significance of Leninism, the experience of the CPSU, to prove the "national restrictedness" of the principle of the leading role of the Party. They hoped in this way to drive a wedge between the Communist Party of the Soviet Union and the Communist Party of Czechoslovakia, to weaken the influence of the latter on public life, to nullify the Party's leading role as the main guarantee of Czechoslovakia's socialist development.

One of the main forms of the attacks on the Party's leading role was the concept of a "pluralist" political system in which the Communist Party, instead of playing the leading role would be merely an "equal partner". The thesis was invented that extension of the Party's leading role extended its rights and accordingly curtailed the democratic rights of the people, that the leading role of the Party signified monopoly rule by the Communists, that the working people were allegedly subjected to this domination of the Party. After this it was easy to "prove" that the leading role of the Party wholly contradicted the efforts aimed at developing socialist democracy. Unfortunately, these views were given wide currency by the mass media. Nor was it only a question of views. Many of the political demands stemming from the "pluralist" concept, began to be realized. Various political organizations such as KAN, K-231, committees of the Social-Democratic Party and others, designed to act in opposition to the policy of the Communist Party, began to appear. The Party lost control of

the mass media which actually became independent of the Party. There were demands for so-called free elections in partnership with the Communist Party.

The former Party leadership, or rather its Right opportunist-minded section, made no effort to show that Leninism as a class doctrine makes a distinction between capitalist and socialist society, that there can be no return to the model of bourgeois democracy because socialism is based on public ownership of the means of production, that its class and social structure differ from the class structure of any capitalist state. The basic, fundamental differences between socialism and capitalism predicate an entirely different economic and class environment for the activity of political parties.

In capitalist society power is in the hands of the bourgeoisie and is used against the exploited. In socialist society, on the contrary, all power is in the hands of the working people, headed by the working class. Power is exercised by the working people through their representative bodies which in our country are the Federal Assembly, the People's Chamber, the Chamber of Nations, the Czech and Slovak National Councils and national committees. Relationships characteristic of the capitalist system cannot consequently be applied to socialism. The Communist Party is not, therefore, an organization standing apart from society, from the people, or even above society or against the people. As the leading force, the Party does not arrogate to itself any administrative prerogatives in respect to the working class, peasant cooperators and the socialist intelligentsia, nor does it lay claim to any prerogatives. The Party exists for the purpose of serving the people, not of catering to the backward element, yielding to the random mood of the moment.

To be at the head may often mean going against the current, not succumbing to a fleeting mood. The Party's conviction that the people will, sooner or later, realize that it is the sole spokesman of their objective interests has nothing in common with fatalism. The principle of Party contact with the masses does not mean tagging along at the tail, adapting oneself to the level of the backward elements participating in the movement. Closer Party contact with the masses means, above all, imbuing the masses with a socialist consciousness, leading the movement forward, defining its tasks, without in any way being influenced by the casual interests of the moment. The

task of the Party is "not to serve the working-class movement passively at each of its separate stages, but to represent the interests of the movement as a whole, to point out to this movement its ultimate aim and its political tasks, and to safeguard its political and ideological independence" (Vol. 4, p. 368).

Some people in Czechoslovakia repeat the old arguments of the "Left" opposition in the Communist Party of Germany, an opposition which Lenin criticized in his "*Left-Wing*" Communism. The "Left" Communists had asked: who is to exercise the dictatorship: the Communist Party or the class of proletarians? Should they strive for a dictatorship of the Communist Party, or for a dictatorship of the proletarian class? They counterposed a party of leaders to a mass party, dictatorship of the leaders to dictatorship of the masses. Lenin qualified this as incredibly muddled thinking. "It is common knowledge," he wrote, "that the masses are divided into classes; that the masses can be contrasted with classes only by contrasting the vast majority in general, regardless of division according to status in the social system of production, with categories holding a definite status in the social system of production; that as a rule and in most cases—at least in present-day civilized countries—classes are led by political parties; that political parties, as a general rule, are run by more or less stable groups composed of the most authoritative, influential and experienced members, who are elected to the most responsible positions, and are called leaders. All this is elementary" (Vol. 31, p. 41).

Lenin ridiculed those who sought to contrast the masses to the leaders. "To go so far . . . as to contrast, in general, the dictatorship of the masses with a dictatorship of the leaders is ridiculously absurd, and stupid," he wrote. "What is particularly amusing is that, in fact, instead of the old leaders, who hold generally accepted views on simple matters, new leaders are brought forth . . . who talk rank stuff and nonsense" (Ibid., p. 42).

In its policy our Party upholds the objective interests of the working people, even though some of them are still unaware of this. Those people were therefore wrong who maintained that the Party's attitude towards the working people is one built on the monopoly rule of the Communists. Some comrades consciously or unconsciously—irrespective of their best intentions—fell in with the theory of the so-called new class of exploiters and owners,

according to which the Communists allegedly have concentrated absolute power in their hands, beginning with ownership of the means of production and ending with state and executive power. They descended to the platform of the Social-Democratic theory of so-called democratic socialism which contrasts socialism with democracy.

IV.

IDEOLOGICAL UNITY AND UNITY OF ACTION BY THE PARTY. LOYALTY TO THE LENINIST PRINCIPLES OF THE PARTY OF THE NEW TYPE

Lenin stressed the importance of unity of the political party of the working class and its consolidation as one of the indispensable conditions and, at the same time, essential features of the party—the vanguard of the working class in winning political power and building communism.

Acting on Lenin's teaching and true to his behests, our Party has devoted considerable attention to unity in its ranks, striving to ensure it in concrete political conditions.

The Party has accumulated rich and valuable experience over the years. However, this experience has in many cases been a bitter one in post-January 1968. We, Czechoslovak Communists, should be the first to learn from it. But other fraternal parties can benefit from it as well.

The shaping of Communist unity is a complex process taking place in the minds of the Party membership and manifested both in the sphere of theory and of practical work when charting and carrying out Party policy.

One of the most important lessons drawn since January 1968 is that unity of our Party is not something formless, amorphous, that it has its principles, its content, meaning and mission. And the meaning of this unity is that the Party, at the head of the working masses, should be an effective force in any situation, capable of carrying out its own decisions, of leading the working people in building communism.

Therefore, as we proceed with the job of establishing and consolidating Party unity, it is pertinent to ask: unity on what basis and for what purpose, but more particularly, unity with whom?

The framework of the unity of our Communist Party can only be the scientific Marxist-Leninist world outlook and its creative development, the program and decisions of congresses and meetings of the

Central Committee as the expression of Party policy over a certain period, its basic strategic and tactical line in putting this policy into effect, and the Party Rules as the basic law of the Party's internal life and activity.

That is why our Party cannot, and will not, unite on the basis of an accentuated national exclusiveness, that is, nationalism; cannot, and will not, unite on the basis of anti-Sovietism. On the contrary, the only correct, Marxist-Leninist way to new unity of our Party is unification based on the scientific world outlook of the working class, building a mature socialist society in our country, based on proletarian internationalism and socialist patriotism, on the principles of close cooperation, alliance and friendship with the Soviet Union and the other socialist states, and with the international Communist and working-class movement.

Establishing Party unity is a complex process, which has two inter-related aspects. It is a question first of all of ideological unity, unity on the basic issues. This ideological unity, as Lenin has taught us, is reinforced by organizational unity which leads to unity of action, that is, unity of political activity.

The Party's ideological-organizational and political unity is predicated on the decisions and resolutions of the recent meetings of the Central Committee, particularly the November 1968 and May and September 1969 meetings. One of the conditions of this unity is, therefore, to put it into effect in all Party committees and branches. And the prerequisite to accepting the political line of the Central Committee and, hence, the main prerequisite for unification, is recognition and application of the scientific theory of Marxism-Leninism. Naturally, it is not a question of only its formal, verbal recognition, but of factual recognition, recognition in deed.

In due course our Party will unite its ranks on the basis of the existing Party Rules, on the basis of its Leninist principles and norms.

The Party should strive to attain the necessary degree of unity of its ranks and organization through systematic ideological and political work, the Marxist-Leninist education of its members, exchange of views at all levels, and by regularly reviewing and generalizing Party experience.

Regarding Party unity, the well-known Leninist thesis states: "We defined it as: *unity of action, freedom of discussion and*

criticism" (Vol. 11, p. 320). What does this thesis mean? First of all, the right of all Party members, without exception, to discuss and criticize at Party meetings and in the Party press the work of members and functionaries, irrespective of the position they hold in the Party. However, this thesis does not mean absolute freedom to propagate all kinds of views. The Party and its Rules do not allow for such rights. On the contrary, according to the Rules it is the duty of every member to combat and oppose non-Marxist views, views hostile to the Party. In other words, no member, to say nothing of functionaries, has the right to disregard non-Marxist, revisionist and opportunist views, to take a passive attitude to Right opportunist views which constitute the main danger.

In the political practice of our Party committees and organizations at all levels this means allowing every member to participate in discussion, measuring his views against the principles of Marxism-Leninism, against the content of the resolutions of the Central Committee meetings, held since the November 1968 meeting. It means, first of all, a confrontation of concepts, overcoming non-Marxist views, showing Party members where they are wrong in their views, winning them over to Marxism-Leninism, proletarian internationalism, to CC decisions. In all this we must act patiently, tactfully, but at the same time from principled positions.

Freedom of discussion and criticism should not be either anarchic or arbitrary in form and substance, but should provide the ground for achieving unity of views on the basis of the theory and practice which are the banner of the historical social mission of our Communist Party.

On the other hand, we must respect and firmly adhere in political practice to the principle that discussion and criticism in the Party should not be ends in themselves. The purpose and meaning of discussion and criticism is to eliminate shortcomings, improve our work and achieve unity of views of the members and their organizations. But we still meet people (and there were quite a number of them after January 1968) who see only one aspect of the discussion in the Party—the purely democratic aspect. As regards Party discipline which, in keeping with the Party Rules, obliges every member to abide by the decisions of the majority, these liberals and Right opportunists do not see, or do not want to see, in it the dialectical antithesis of freedom of discussion (and measure of democracy and freedom in gen-

eral); they see it only as suppression of the latter. This is a profoundly erroneous and basically undemocratic view. After all, no member of the Communist Party, or of any political party for that matter (even of most bourgeois political parties), can demand for himself such "freedom and latitude" of behavior, such happy-go-lucky and irresponsible actions as would free him from the obligation of respecting and abiding by the will and decisions of the majority of Party organizations and the Party as a whole.

At present we must create the necessary conditions for discussion and confrontation of views in the Party on the basis of Marxism-Leninism, and wage a principled struggle against liberal and Right opportunist views, whose advocates are trying to deny the Party the right to find, through discussion, practical ways of putting its policy into effect, seeking to prevent unification of the Party and re-establishment of its unity of action.

The Party cannot engage in endless discussion. Despite differences of views that arise and will arise on certain issues, the discussion must be wound up at a certain time and the Party must work in the spirit of the decisions taken. Only such an approach can ensure unity of action and the effectiveness of the Communist Party as the leading political force in socialist society.

The decisions and resolutions of the Central Committee meetings of November 1968 and of May and September 1969, note that active participation by Communists in the work of the Party, in elaborating and implementing its policy, is one of the main conditions for accelerated consolidation of political, economic and public life. And it is not only a matter of attending Party meetings, but of the active day-to-day participation by members in mass work, in the political-organizational and ideological-educational work of the Party organizations among broad sections of the working people.

Active participation by members in charting and implementing Party policy is integral to consolidating Party unity. But to consolidate unity, to consolidate the confidence of the masses and the Party's prestige among them, a conscious approach is required by Communists to the decisions of the Party committees, and particularly of the Central Committee plenary meetings, and to the Party Rules. This, in turn, can be achieved only if the Party organizations are vigorous and dynamic, rely on creative thinking and on the day-to-day activity of its members.

We realize, of course, that this is not something that can be accomplished overnight. But this does not mean that less should be expected of Party members. We see it as the duty of all committees and organizations of the Party, acting in the spirit of the decisions of the Central Committee meetings held since November 1968, systematically to overcome passivity, mainly through an ideological and political struggle and the complete defeat of Right opportunism, revisionism and anti-Soviet-

ism, and by taking administrative measures against their chief exponents.

We also see it as the tasks of the Party committees to exercise reason and tact, but from principled positions, towards comrades—irrespective of person, position and personal relations—who are still confused on ideological and political issues, who have become indifferent or embittered, complacent or apathetic, to enlist their active participation in charting and carrying out Party policy, in the Party life and activity.

TODAY WE HAVE EVERY JUSTIFICATION FOR SAYING ABOUT LENIN'S TEACHING WHAT HE HIMSELF SAID ABOUT MARXISM: IT IS OMNIPOTENT, BECAUSE IT IS TRUE. MARXIST-LENINIST THEORY AND ITS CREATIVE APPLICATION IN SPECIFIC CONDITIONS PERMIT SCIENTIFIC ANSWERS TO BE FOUND TO THE QUESTIONS FACING ALL CONTINGENTS OF THE WORLD REVOLUTIONARY MOVEMENT, WHEREVER THEY ARE ACTIVE.

(From the Address of the International Meeting of Communist and Workers' Parties "Centenary of the Birth of Vladimir Ilyich Lenin.")

Leninism and development of the socialist world system

DESZO NEMES

That Lenin's name is an intrinsic part of the Communist movement, of the socialist world system at the cradle of which he stood, goes without saying. Reviewing the heritage Lenin has left us, it is particularly relevant to note the development of revolutionary strategy and the experience of its skilful application; the attention with which he followed the changes in the revolutionary struggle, and the thought and courage displayed by him in revising the tactics of the Party and of the socialist state. Along with a general theoretical grounding, strategic and tactical abilities play a decisive role in the struggle, and Lenin's behests in this respect constitute the priceless arsenal of the world revolutionary movement.

Understandably, Lenin could not furnish the answers to the many problems that have accompanied the building of socialism, problems that confront us with a host of new tasks. But it is equally clear that these cannot be tackled without drawing on the rich ideological and political heritage Lenin bequeathed to the peoples fighting against imperialism and for socialism. As head of the Soviet state Lenin handled not only the problems projected by the specific situation; he also elucidated the objective laws of the new society, with its general tasks which have to be tackled everywhere, although in different ways and by different methods.

NEW RELATIONS BETWEEN NATIONS

The socialist world system is a *system of independent states* where socialism is built within the framework of national states; and the new relations that have taken shape between these nations interweave with inter-state relations of a new type.

Under capitalism the correlation of forces plays the decisive role in relations between states, with the stronger imposing their will on the weaker. This is a universally known truth which the stronger countries try to justify by various nationalistic and chauvinistic theories about their "special mission." The socialist countries, however, are guided in their relations by principles of equality, fraternal aid and internationalism. They not only proclaim the democratic principle of equality but practice it in their relations, enriching it, furthermore, with a *socialist content*.

Mutual fraternal aid and close unity in the fight against imperialism and in building the new society are the two factors imparting a socialist content to the equality of the socialist nations and states. These factors are also decisive in effecting the principle of equality between nations and states, irrespective of whether it concerns strong or weak, big or small nations and states. This principle of equality, combined with socialist cooperation, has ensured the monolithic unity of the nations of the Soviet Union within the framework of a federative state. And the socialist relations between the states in the new world system are developing along similar lines.

The historical mission of the socialist states is to pioneer the way to the true equality of all nations and states, equality built on the friendship of peoples and precluding the possibility of the stronger oppressing the weaker. Also in this respect the pioneering role of the socialist states is an extremely important part of the common struggle to put an end to imperialism and bring about the victory of socialism on a world scale.

The fraternal socialist countries are, then,

a union of equal sovereign states which apply in practice the principle of socialist cooperation. It is true that the scale of mutual aid is not the same, since the stronger, more experienced country can, and does, render more extensive aid than it can receive in exchange, in other words, Soviet aid is of paramount importance for the other socialist countries. This is also a universally known truth which various reactionary forces seek to distort. But the historic role of the Soviet Union in promoting and developing socialist relations between the states of the new world system, was and remains of decisive significance.

Inasmuch as the cooperation between the countries of the new world system is developing not within the framework of a single federative state but within that of separate states, this opens up new avenues for the socialist countries. This does not necessarily mean, however, that the establishment of new relations between them is a smooth process.

The consolidation of the Soviet peoples into a single union state undoubtedly facilitated the development of new relations between the nations, if only because political frontiers between nations ceased to exist in the federative state, and equally the barriers usually associated with political frontiers. But, as we have said, the appearance of new relations between the nations was accompanied by difficulties. Getting rid of the national prejudices inherited from the past is, as Lenin warned time and again, a long process. Their overcoming required persistent ideological and political educational work.

As we know, an important role in establishing and strengthening the socialist unity of the Soviet nations and peoples was played, on the one hand, by unflagging efforts to combat the survivals of the past and, at times, outbursts of great-power chauvinism or local nationalism, and on the other, by the all-round aid which Russia and the peoples of the more developed Soviet territories rendered to the less developed. A big role was also played by the cultural upsurge made possible by socialist rule. It was proved that a culture that is national in form and socialist in content, and which draws on the culture of the fraternal peoples, facilitates the socialist unity of the nations and is an important instrument of this unity.

The remarkable results achieved by the USSR in developing socialist relations between the nations naturally became known to the international working-class move-

ment and to the people of the New Democracies. This is as it should be, for these results reflect the potency of Leninism, of the Leninist policy. But it should be noted that neither the peoples of the New Democracies, nor international democratic and working-class public opinion quite realized the effort that was needed to achieve these results. This probably accounts for the view that gained currency in the Communist parties that after the socialist revolution it would be a simple matter to overcome national prejudices, to resolve the national issues.

The socialist world system, however, took shape in complex international conditions, in the course of an acute aggravation of the crisis of world capitalism. The new people's power that triumphed in a number of countries, the rise of the new world system, had to contend with the bitter resistance of the forces of the old world, had to tackle the unsolved, complex problems left by this old world.

During the Second World War the fascist powers had poisoned the minds of the peoples, fanning national discord to the utmost. The defeat of the fascist bloc did not spell the end of this infection. On the other hand, the peoples of the countries that had been overrun by the fascists burned with a legitimate hatred for their oppressors, a hatred which became a source of moral strength in the liberation struggle. Countries like Hungary, which were allies of the "Third Reich" and also its victims, were exposed to different influences. Space does not allow us to dwell on this at length. All I want to say is that the legacy of the Second World War—the nationalistic hatred fanned by fascism, on the one hand, and on the other, the just desire for retribution of the peoples fighting against fascism, who, it is true, were motivated by differing class interests — all this influenced the way of thinking of the peoples of the New Democracies.

Home and foreign reaction, "adapting" itself to the conditions in each country, tried (and still tries), to use everything possible from this legacy of the war to sow nationalist confusion. The revolutionary forces of the working class, however, jointly with their allies in the fight against the reactionaries, and basing themselves on the traditions of the anti-fascist war of liberation and their friendship with the Soviet people, led the socialist revolution to victory. However, some vestiges of the nationalistic reactionary legacy remained and

to a certain extent they still do, being kept alive by their instigators.

In our countries anti-Sovietism was part of the reactionary ideology of the capitalist-landlord class; it derived from their fear of the socialist revolution, from the policy of international imperialism. And although the socialist revolution triumphed in our countries and the revolutionary working class and its allies put an end to the unrestrained anti-Soviet propaganda of the internal reactionaries and the Western imperialists, anti-Sovietism as a survival of the ideological influence of the exploiter classes, has not disappeared.

Fraternal socialist relations between the countries of the socialist world system are developing in conditions of an ideological and political battle between two world systems. It is part of the international class struggle, a struggle which knows no borders.

The new world system of socialism has had impressive successes in promoting new relations between the nations. The idea of friendship between peoples is universally recognized and accepted by the people of our countries. The spirit of national discord, a legacy from the old system, has been bridled. This is a very important part of the historical changes that have taken place in our countries.

Of course, the further development of socialist relations between the nations requires that the problems arising in the socialist world system and between the socialist countries find rapid solutions. I am not suggesting that we can overcome overnight the survivals of these old-time national prejudices, which are liable to break out under certain circumstances; for this we need painstaking, persistent work. The rise of the new world system naturally poses new problems in the relations between nations, problems which affect the development of these relations.

As the Document of the June 1969 Moscow Meeting of Communist and Workers' parties rightly stated, the socialist world system is not afflicted with the antagonistic contradictions characteristic of capitalism. The problems that crop up in their relations can be solved in the spirit of Leninist internationalism, by harmonizing the specific national interests of the individual countries, with common interests, by working jointly for the common interests of all the socialist countries.

It is not just a matter of harmonizing interests, in one particular case, but of regularly promoting this harmony through

agreement between the socialist countries on a bilateral and multilateral basis. With this end in view, interstate bodies have been and are being set up, among them the Council for Mutual Economic Aid, and the Warsaw Treaty defense organization. These organizations have played a role in the progress made by our countries as a result of their all-round cooperation. We have acquired no little experience in coordinating national interests with common interests.

Still, in a number of spheres our countries could cooperate on a still broader scale considering the possibilities and the requirements. For example, cooperation in production got off to a slow start and has as yet by no means reached the desired level. No one is likely to deny that greater scope should be afforded, particularly among the CMEA countries, for realizing the economic tendency, which Lenin referred to as "a tendency towards the creation of a single world economy, regulated by the proletariat of all nations as an integral whole and according to a common plan." Speaking in 1920 of the need for close federal unity of the Soviet republics, Lenin referred to this trend as one of the reasons, adding that it "has already revealed itself quite clearly under capitalism and is bound to be further developed and consummated under socialism." (*Collected Works*, Vol. 31, p. 147.) Cooperation between the socialist countries should, needless to say, be expanded also in other spheres.

Why is it that cooperation between the socialist countries lags behind the possibilities and requirements? Quite obviously because the problems that have cropped up in this sphere are much more complex than we had expected. The most common one appears to be that of coordinating the legitimate national interests, often the most difficult one.

Nations constituting separate independent states not united in a federation cannot therefore expect a federative state to meet their basic interests: they have to attend to this themselves, with the cooperation of the fraternal countries. This increases the responsibility of the said states and prompts them to develop national resources to the maximum, which is very good. But at the same time there is the danger of the resources and production capacities of individual states becoming segregated, thus giving rise to insular tendencies. This can only have harmful consequences, especially in respect to small countries. This was particularly evident in Hungary before 1956.

Our country is small and, moreover, poor in raw materials. The rapid industrialization effected between 1950 and 1953, aggravated the contradiction between the economic trend towards maximum self-sufficiency and the country's limited possibilities and resulted in a slowing down of our economic growth.

National insularity of production capacities and resources can in the case of the socialist countries spell departure from the principle of mutual aid in inter-state economic relations, and over-reliance on unilateral advantage. We have in mind such questions as prices policy and delivery terms, the nature of trade, agreements on cooperation and even such matters as joint exploitation of the waterways running through the territories of two or more countries, or coordinating the lawful demands of the interested states.

Before the Second World War our parties took an over-simplified view of national contradictions and their solution. They took it for granted that these national contradictions, fanned by the exploiters, would rapidly disappear once the peoples had overthrown the capitalists and landowners and established their own rule. The capitalist and landowning system was destroyed; it was replaced by a people's democracy which proclaimed the brotherhood of nations. But although the national contradictions became considerably less acute, they did not disappear. And not only because the survivals of national prejudice, the general legacy of the capitalist past and the immediate legacy of the Second World War, continue to exist, although in muted form. Here it is a question of something else, namely, that inter-state economic relations play a much more significant role in the relations of the socialist nations than the Communist parties had assumed before the liberation of their countries.

Thus, contradictions and problems may arise also among socialist nations. They may be the old ones, inherited from the past, or new ones that still have to be solved. And since they exist and overlap with inter-state relations, they provide the soil for nationalist tendencies. Wherever inter-state relations, instead of taking into account and coordinating mutual interests, put the emphasis on unilateral national advantages, and this in the name of upholding the national interests — in such cases nationalist trends come to the fore.

In his draft theses on the national and colonial questions, Lenin noted that among the parties that had withdrawn

from the Second International and even among those which call themselves Communist it had become usual to recognize internationalism in word but to replace it in deed by petty-bourgeois nationalism. The fight against this evil, Lenin wrote, "against the most deep-rooted petty-bourgeois national prejudices, looms ever larger with the mounting exigency of the task of converting the dictatorship of the proletariat from a national dictatorship (i.e., existing in a single country and incapable of determining world politics) into an international one (i.e., a dictatorship of the proletariat involving at least several advanced countries and capable of exercising a decisive influence upon world politics as a whole)" (*Collected Works*, Vol. 31, p. 148).

In 1920, when Lenin wrote this, there was a revolutionary situation in Germany and in other countries of capitalist Europe. Hence Lenin's emphasis on converting the dictatorship of the proletariat into an international dictatorship of "... the proletariat of at least several advanced countries ...". He had in mind the highly developed European countries. However, the bourgeoisie in these countries retained their power with the help of the Social-Democratic parties. The dictatorship of the proletariat grew into an international dictatorship, and the socialist system into a world system during the revolutionary upsurge that followed the Second World War. And although most of the members of this new world system were economically weak countries this in no way lessens the importance of the fight against petty-bourgeois nationalism.

The danger lies not in that petty-bourgeois nationalism, nurtured by national prejudices, exists. This is a situation that will last for a long time for, as Lenin noted, national prejudices are bound to die out very slowly. The parties that have come to power must therefore take this into account, just as they must not be entrusted to an automatic process; it must be assured by careful and consistent ideological and political education. What is dangerous, Lenin stressed, is petty-bourgeois nationalism spreading in the revolutionary party of the working class, causing it to slide from positions of internationalism to that of nationalism. In this case the damage would be great.

Various elements of the nationalist legacy of the past are used by petty-bourgeois nationalist trends to fan distrust towards fraternal nations, to raise the dirty flag of anti-Sovietism, while their spokesmen proclaim loyalty to proletarian international-

ism. Encouragement of nationalist trends is applauded by the internal reactionaries, since it brings grist to their "patriotic" activity, and also by the Right and "Left" revisionists since it favors their discreditable ideological activity and might ensure them a leading political role. The spread of nationalist trends is also applauded by the imperialists for this raises their hopes that they will be able to fan and exploit the differences between the socialist countries.

We know from our own experience of the 1956 counter-revolutionary revolt in Hungary that nationalism, and particularly its anti-Soviet variety, played a big role in the ideological and political arsenal of those who dream of restoring capitalism and their petty-bourgeois allies of all hues.

It would be a mistake to think that the danger of petty-bourgeois nationalism in the socialist world has increased simply because the countries of the new world system did not establish a federative state but a system of separate states. The heightened responsibility of the independent states for the development of their countries is manifested also in the ideological and political education of their peoples, in their redoubled efforts in this sphere. Our experience illustrates this. A notable feature of the socialist world is that it is a system of independent states. This is an objective law which will develop as such. One needs only to bear in mind how different are the specific features of the different countries in the world, and how different the historical traditions and political requirements complementing them, to realize that the new world system can only be a system of independent states, that only as such can it win its battle with the old world.

The heightened responsibility of the independent states makes it easier to overcome national prejudice and the petty-bourgeois nationalist trends. However, the parties and governments of these states have a particularly important task to perform in the interests of their own people and of the socialist community: duly to implement the Leninist principle of international unity.

The socialist world continues to develop as a system of independent, sovereign states. The Soviet Union and these states, which have also acquired considerable experience, are strengthening their contacts. They have become tempered also in the fight against the splitting activities of the Maoists. They are expanding their political cooperation, increasing their support for the anti-imperialist struggle of other peoples,

and, naturally, for joint defense of their peace and security, the effectiveness of the Warsaw Treaty as long as this is necessary, i.e., as long as the NATO aggressive bloc exists. They are promoting their economic, scientific-technological and cultural cooperation and broadening their contacts in various spheres of social life.

ECONOMIC COOPERATION AND SOCIALIST INTEGRATION

Economic cooperation between the socialist countries has led, first and foremost, to the rapid expansion of socialist international trade, to the rise of a socialist world market. This has completely upset the attempts of the Western capitalist powers to prevent, through trade restrictions and boycotts, the economic advance of the New democracies and their socialist development. In the long run, however, the capitalist powers had no choice but to expand their trade with the socialist countries, impelled by their own interests and by the competition between them. The capitalist boycott of the socialist world, which ended in failure way back in the twenties when it was a matter of only one socialist state, suffered a complete fiasco when it was a matter of the socialist world system. By 1960 CMEA's foreign trade had already far surpassed the prewar level, and by 1968 was six times greater than the 1960 figure. This *quantitative growth* was accompanied by radical *qualitative changes* resulting from the development of socialist world trade.

Before liberation, the present People's Democracies of Europe had traded only on a very small scale with the Soviet Union. Today it is their principal partner. There have been big changes also in mutual trade relations. Thus 62-63 per cent of CMEA's foreign trade is with the member countries, and 6-7 per cent with other socialist countries. In other words, some 70 per cent of this trade is with the socialist world market which will undoubtedly continue to be our principal customer.

Foreign trade plays an increasingly important part in the economy of every socialist country, and particularly so in the economy of the smaller countries. Hungary with a population just over 10 million exports about one-quarter of its social product (exports account for 40 per cent of the national income) to meet its import requirements. Soviet exports, on the contrary, account for only a small percentage of the social product of the country with its popu-

lation of 240 million. This quite clearly is because the USSR possesses a *vast home market*, its retail trade is vastly in excess of the value of exports. At the same time, the Soviet Union provides 42-43 per cent of the total CMEA exports. In short, the decisive role in the expansion of the socialist world market is played by the USSR.

Foreign trade is the principal, but not the only sphere of the international division of labor. From the very outset economic cooperation between the socialist countries has included broad exchange of production experience, research and inventions, technological documentation, and so on. With the establishment of CMEA a *system of multilateral coordination* of trade plans and agreements, as well as economic plans was introduced. The CMEA countries are making a joint study of future structural changes in production, of the requirements of certain industries and types of products, and are jointly drawing the necessary conclusions and making the necessary recommendations. From this brief enumeration of the spheres of cooperation it is evident that the *socialist international division of labor extends far beyond the framework of foreign trade*.

The success achieved in the socialist international division of labor, while considerable, could be still better. Cooperation in production is lagging, specialization is developing much too slowly, scientific and technological cooperation is likewise anything but satisfactory. These questions were *sharply* projected only recently when the rapidly developing scientific and technological revolution showed the need for the *economic integration* of the interested countries. Unlike the countries of the European Common Market which have made considerable progress in economic integration, the CMEA countries are lagging in specialization or production cooperation, even at the lowest level.

How is one to explain that the Common Market countries which are divided by capitalist contradictions have forged ahead in integration, whereas the CMEA countries which share common interests have only recently decided, after long discussion, to take the necessary steps in this direction? We cannot sidestep this question, even though we anticipate that practice, i.e., the integration of our countries, will remove it from the agenda.

The possibilities for integration in the socialist countries are much greater, in principle, than in the capitalist countries. In the former integration does not have to

contend with antagonistic contradictions, it does not have to serve the interests of big monopolies; its purpose is to serve the common interests of the people. More so than anything else, implementation of the internationalist, socialist principle of mutual aid can multiply the advantages of economic integration for the member countries. However, temporary obstacles, objective in substance and subjective in character, have hampered the process of socialist integration.

The objective circumstances are that where industry's share in the national income is small, and particularly if the engineering and manufacturing industries work basically for the home market, the said country is less keenly affected by the changing requirements of the world market. As we know, these requirements affect production costs, the technical standard of production and other indices, compelling the country to produce goods that could compete with those elsewhere, which are of a higher technical standard. If a country cannot meet these requirements, it means that it has to sell its goods on the world market at less profit or even below cost price, in other words, at a loss.

As a country's industry develops, particularly its engineering and manufacturing branches, it becomes interested more and more in international production cooperation. Every socialist country should realize the important fact that mass production is accompanied by the expansion of the productive forces generally, and ensures considerable economic advantage.

In the capitalist world the imperialist powers with their big monopoly capital invade the economy of the smaller countries, include them in their "spheres of interest" through economic, political and military pressure. The *socialist world system, on the contrary, ensures the smaller countries the possibility of participating in joint production cooperation on an equal basis*, of establishing and promoting mass production in the industries most suitable for them.

Cooperation and its higher stage, socialist economic integration, will help to even out the differences in the economic levels of the member countries, and enable them more quickly to catch up with the highly developed countries.

To facilitate mass production, the CMEA countries are each specializing in particular areas. However, these are expanding all too slowly. One reason is, undoubtedly, that the agreement on specialization has not always been carried out to the letter. Special-

ization in manufacturing the end product is but *part* of the international division of labor, and it can be properly expanded *only* if combined with *production cooperation*.

In engineering, too, and in any number of other industries, the share of the end product is steadily increasing, in the manufacture of which a variety of standard parts and aggregates are usable for different types of machines. These parts could be produced in far larger quantities than needed for the serial production of just one type of machine. The factories are interested in getting these aggregates and parts from their partners in cooperation.

Although inter-factory cooperation has made considerable headway in our countries it has not, unlike Western Europe, gone beyond national boundaries and has not, consequently, brought with it that expansion in the international division of labor which we witness in the West. This lag in the socialist world is hampering the intensive international development of specialization in the production of the end product, and in the smaller countries it has made such specialization doubly difficult, for it involves higher production costs.

Bilateral cooperation in production first took shape with the USSR, and to a lesser extent between the New Democracies. For some years now, several countries are successfully cooperating in the ferrous metallurgical industry, in the manufacture of bearings, and in some other industries. But this is only the first step. If we examine how much of our aggregate industrial production is covered by cooperation agreements we see that progress in this respect is modest indeed. In Hungary such agreements cover a mere two to three per cent of production. It is probably not much higher for the other CMEA countries. Much more could be done, considering the requirements and the possibilities. The scale of the multilateral production cooperation, too, is very small. A big step forward in this respect was taken by the special CMEA summit meeting in April 1969 which discussed economic integration.

This meeting confirmed that socialist economic integration can be carried out only on the basis of the equality and free will of the countries concerned, and adopted the *principle of self-interest*. According to this principle, no country is obliged to participate in cooperation in which it is not interested. At the same time, no country can use the right of veto if other of the CMEA countries decide on multilateral cooperation and economic in-

tegration. Those who initially decide against entering into cooperation can reverse their decision whenever they consider it suits the interests of their country.

The April 1969 CMEA meeting was a big success in further consolidating the international unity of the socialist countries. This success was made possible by their growing political and economic cooperation, a cooperation determined also by the general development of the productive forces and competition with the capitalist world.

Socialist integration will undoubtedly facilitate the trend towards a single socialist world economy, regulated by the coordinated plans of the socialist countries. Once it develops along the right lines, socialist integration will be extended to *production, trade and the currency systems*; it is also designed intensively to promote cooperation *in research and in the practical application of its results*, and, to a lesser degree, to *ensure coordination of economic plans on a higher plane*.

The matter of *mixed enterprises* has been, and most likely will continue to be, the subject of much debate. Both fundamental issues were raised and also the question of whether it was timely to tackle this matter at present. Eventually the discussion will most probably center on the practical aspect. The main objections stemmed from the view that the management of enterprises, representing the property of a number of nations, would be "above nations," restricting the competence of national governments and impinging on the "national sovereignty" of individual countries.

Our Party holds that it is the sovereign right of each socialist country to decide for itself whether or not it wants to participate in the establishment of mixed enterprises. Our Party, a firm supporter of socialist integration, is guided by the conviction that our government should not deprive the country of the advantages flowing from international cooperation in production and from mixed enterprises. We hold that the bodies supervising the mixed enterprises are intranational bodies, composed of the representatives of the member countries. Far from restricting the competence of the national governments, these bodies ensure the guidance of the member countries in their activity.

The experience of the existing bilateral and multilateral international bodies bears this out. *The national governments themselves are restricting their competence by remaining outside the multilateral coopera-*

tion in which their countries are interested. However, participation—which each country decides for itself—implies fulfilment of obligations jointly undertaken.

Expansion of the productive forces, now greatly accelerated by the scientific and technological revolution, is accompanied by growing numbers of large-scale enterprises capable of turning out products of all sizes, which is beyond the capacities of the smaller countries. The latter will either enter into international cooperation on a bilateral or multilateral basis, including the establishment of bilateral and multilateral intra-national enterprises, or fall behind in economic development. Notwithstanding the headway we have made, this matter cannot be ignored for it confronts the small, and not only the small, nations ever more sharply. This was unanimously recognized at the last CMEA meeting which in principle opted for the building of joint enterprises and the establishment of a joint Investment Bank to promote this.

The main conditions for integration of the CMEA countries exist. Of course, a multitude of questions still have to be examined and resolved. And this is being done quite successfully in our countries and in the CMEA committees. I should like to touch on yet another important circumstance of our socialist integration, namely, the *special position of the Soviet Union*.

The Soviet Union effected the complete socialist integration of the economics of the Soviet nations in a united federative state. With its very large production apparatus, rich natural resources and vast internal market, this single economy is more powerful than the economic group of the Common Market countries. The economic integration of the CMEA countries is therefore not as important for the Soviet Union as it is for the small countries.

Of course, the USSR is interested in accelerating the development of the other socialist countries. And since it wholly abides by the principle of internationalism, it supports the desire of the People's Democracies for integration, spares no effort in encouraging this trend. This is of decisive importance for our countries. It goes without saying, however, that a high level of production cooperation should bring advantages to all its members, the USSR included, which makes the biggest contribution to developing socialist integration. Cooperation between the New Democracies will undoubtedly develop rapidly in the course of the integration, but it cannot replace Soviet participation.

The process of integration also necessitates an *ideological struggle* against socialism's internal adversaries and against the attempts by the imperialist powers to sow confusion and divide our ranks.

These reactionary forces have not desisted in their attempts to undermine friendly cooperation between the socialist countries. They continue to laud the capitalist monopolies and their state monopoly institutions which assure priority for the functions of the central monopoly bodies covering huge production spheres. At the same time, they defame the planned economy of the socialist system and the guiding role of the socialist state in the economy. In the early days, the Common Market advocates inveighed against those countries which because of "national narrow-mindedness" objected to integration. Now, these same advocates and their partners in other countries, in their campaign against CMEA integration, don the cloak of "defenders" of the sovereignty of the People's Democracies.

These are only one or two aspects of the enemy propaganda which is characterized also by subtlety and "versatility." They would have the Soviet people believe that it would be in their "interests" if the Soviet Union disassociated itself from the People's Democracies, since the aid it is rendering them is "costly," that it would be "more advantageous" for the Soviet people "to cast off this burden," in other words, to allow imperialism to wrest these countries from the socialist world. The people of the New Democracies, on the other hand, are told by the imperialist broadcasting stations that the Soviet Union "exploits" them, whereas the capitalist powers are guided solely by "human kindness" and that all they want is to restore "freedom" to our countries and not the territories which the imperialists have lost and which they would again like to turn into objects of capitalist exploitation.

As we proceed with socialist integration we must expose and isolate hostile propaganda in our country, render it harmless. Of course, we must also step up ideological and political educational work, continue to eradicate the survivals of national prejudice and narrow-mindedness and in this way completely overcome petty-bourgeois nationalism.

The success achieved in strengthening the bonds of international friendship and in the cooperation of the fraternal countries have greatly enriched our international edu-

cational work. There is no doubt that the advantages that will accrue in the process of socialist integration, as a result of this new practical experience, will reinforce the fraternal unity of our peoples. There is also

no doubt that socialist economic integration will accelerate the growth of new socialist relations between nations and states, and become a new source of strength for the entire socialist world system.

Lenin centenary preparations in fraternal parties

ITALY

Begun in 1969, the study, discussion and dissemination of Lenin's works will assume much greater scope in 1970, the centenary year.

Local Party organizations have already initiated measures that will help apply Lenin's ideas in finding original and constructive solutions for the complex and difficult problems confronting the anti-imperialist and working-class movements.

The Italian working class, all wage and salary workers, in fact, all working people of town and country, are locked in a difficult struggle that goes far beyond conventional economic demands and is directed against the country's socio-economic structure and political leadership. In this situation, it is only natural that the centennial campaign should centre on a study of Lenin's revolutionary doctrine, with jubilee festivities cut to a minimum.

That is stressed in a statement of the Party leadership published in *Unita* of September 27, 1969: "The entire Party, young activists, all workers, everyone associated with the democratic and anti-imperialist movement, should be encouraged to study Lenin's works, consider and discuss their relevance today. Just as Lenin always regarded Marxism as a method of critical analysis and revolutionary action, and not as a self-contained doctrine completely divorced from practice, so we too should be guided by this critical method of analysis, which has nothing in common with jubilee eulogizing, in applying Lenin's doctrine."

That line, which we shall follow throughout the Lenin Year, was applied at the eight-day seminar at the Institute of Communist Studies (Higher Party School) last October. It discussed such subjects as "Lenin on the revolutionary party," and "Lenin's theory of imperialism." The other two subjects were: "Hegemony and the

state," and "Lenin and the International" (reports of these discussions will be found in L. Gruppi's article—*Unita*, October 28 and November 1—and G. Gensini's—*Unita*, December 9).

Edited texts of the seminar papers will be circulated to all Central Committee members, secretaries of regional and district committees and all Communist MPs. In addition, we are printing 200,000 copies of a synopsis of the discussions for use at branch level.

* * *

Another series of study sessions is being arranged by the Gramsci Institute. The first, on Lenin as statesman and revolutionary, will be followed by ten sessions on various aspects of Leninism and the Party (spontaneity and consciousness, role of the revolutionary Party), imperialism, and such historical philosophical subjects as "The discussion in the Second International: Lenin and Bernstein," "The state and society in Lenin's teaching." Other subjects have a more direct bearing on present-day issues—the struggle for democracy and the socialist revolution, reform and revolution, etc. Lastly, there will be a special session on Lenin's doctrine in the works of Gramsci and Togliatti, a subject touched upon in the Party statement quoted above. It contains these passages: For "Gramsci, Lenin embodied the development of Marxism at a time when political theory, now more than ever before a science, had to guide the working class in the conquest and exercise of power. Togliatti carried that definition further, emphasizing that Lenin taught us never to consider any given element of reality in isolation, always to assess reality in its entirety, see how each element reacts on others, single out the essential, but never overlook the unessential."

The study sessions will be conducted by instructors, and, naturally, there will be

much discussion and confrontation of views between instructors and between them and members of the class.

The Gramsci Institute is also planning two international meetings in Italy: a Round Table discussion "Are Lenin's Ideas Topical Today?" and a theoretical conference sponsored jointly with the Marxism-Leninism Institute of the CPSU Central Committee on Lenin and the Italian Labor Movement. This is a subject of very especial importance, for it was Lenin's ideas and activity that prompted the strong Italian workers' movement to discard all indecision, all vacillation between maximalism and reformism, all leanings towards municipal socialism and the vague solidarity of the Second International period, and, having overcome these contradictions, make the working class the central force in the renewal of our national life.

To quote the Party statement again: "Lenin gave us the model of a revolutionary party that does not succumb to extremist phraseology; a party that defines the ways and means of achieving working-class unity, closer ties with the masses, its policy of alliances, in each given situation. Gramsci interpreted and applied this Lenin method. He elucidated the distinctive features of the peasant question in Italy and formulated a policy of worker-peasant alliance in the specific conditions of the struggle to solve the problems of the South.

"Togliatti amplified Lenin's thesis that, for the working class, democracy and socialism are not two historical phases separated by a Chinese wall. Rather they are intertwined and the link becomes closer as the working class asserts its leading function at each stage of the struggle. In presenting his theory of the 'new party', conceived and forged in the crucible of national liberation struggle, Togliatti developed Lenin's vision of a revolutionary party not as an organization of agitators and propagandists, but rather as a force able to act in close contact with the masses in solving their problems and in working out an alternative to the existing system and power structure."

* * *

In this jubilee year, the Editori Riuniti publishers are completing the 45-volume edition of Lenin's works. They are also putting out a new edition of Lenin's Selected Works, publishing paper-back editions of such Lenin classics as *What Is To Be Done?*; *State and Revolution*; *Imperialism, the Highest Stage of Capitalism*; "Left-

Wing" *Communism—an Infantile Disorder*, mass-producing Lenin gramophone records with the Italian translation on the reverse side, putting out Lenin posters, and books on Lenin by a wide range of authors, among them A. O. Chubaryan's book on Lenin and the sources of Soviet foreign policy (from the Brest Peace to the Genoa Conference). Last but not least, mention should be made of a new illustrated Lenin biography, a joint undertaking of Riuniti and the Novosti Press Agency. Published in a million copies, it is meant for the widest readership. The Party propaganda department and the Riuniti publishers are putting out a volume of selected Lenin writings, appropriately commented, for young readers.

Other items in the centenary program are: Lenin jubilee buttons and the Centenary Medal, sound trucks to bring recordings about Lenin to out-of-the-way places, films, exhibitions, books — all of these will be brought to remote villages, especially in the South, to popularize the image, work and ideas of the great revolutionary leader.

This brief survey does not include the programs being sponsored by such mass organizations as the Young Communist League, the Italy-USSR Society, etc. Nor does space allow going into details about the comprehensive cinema programs prepared by Unitefilm—suffice it to say that it includes some of the Eisenstein and Pudovkin classics and films made in Italy for the Lenin jubilee, of which we need mention only one: Lenin and the Italian Labor Movement.

The centenary will doubtlessly be made the occasion for discussions of Lenin's personality and work among Party members and students, and friends and foes of the Party.

We feel sure that, in combination, these measures will make for a higher ideological level throughout the Party and for a more intensive effort in all fields of ideological and political activity. For, as the Party statement points out: "To be a Leninist it is not enough simply to repeat the conclusions formulated by Lenin. To be a Leninist means to apply his method to an understanding of new situations and to the solution of new problems, it means developing, in new circumstances, the central concepts of Leninism (relating to imperialism, the state, working-class hegemony, relation between democracy and socialism, role of the Party). It means taking these concepts as our starting point in revolutionary theory and revolutionary action."

On January 21, 1970, the 46th anniver-

sary of Lenin's death and the 49th anniversary of the founding of the Italian Communist Party, Lenin meetings will be held in all of the Party's 10,884 branches.

M.Z.

JAPAN

The Japanese working class and its vanguard, the Communist Party, are battling Japanese and U.S. reactionary forces for the annulment of the Japanese-American Security Treaty and the unconditional restitution of Okinawa. This struggle, culminating in 1970, will bring about an important turn in the history of the Japanese people's struggle.

Standing in the van of the militant masses, the Communist Party of Japan will fittingly mark the centenary of Lenin's birth and has called on its members to study Leninism and to organize special activities for the propagation of Lenin's ideas among workers and the people as a whole.

The works of V. I. Lenin are read widely among our workers, progressive intellectuals and students. That is an admirable feature of the Japanese labor movement. Our Party's history is closely associated with Lenin's name. We have completed publishing in Japanese the 47-volume Works of Lenin (including two volumes of indexes), which also contain Lenin's *Notebooks on Imperialism* and his recently discovered letters to relatives first published

in the Russian 5th edition (complete) of Lenin's Works.

On November 8, 1969, the Secretariat of our Central Committee published the plan of the centenary celebrations in *Akahata*, the Party's central organ, envisaging the following functions:

The publication of Lenin's Selected Works in 10 volumes, which is now starting. An editing committee, working under the auspices of the CC CPJ, is compiling the contents independently on the basic principle of combining creativeness in the elaboration and concrete application of Marxist-Leninist propositions to the present complicated conditions and particular characteristics of our country with a principled and strict defense of the Marxist-Leninist teaching.

A jubilee meeting is planned under the auspices of our Central Committee, to be addressed, among others, by members of the Presidium of the CC CPJ.

Jubilee issues are planned of *Zenei* (Vanguard), the Party's theoretical and political journal, and of other Party periodicals, featuring memorial articles.

A study campaign to learn Leninism from original sources is being organized. A contest has been announced for the best centenary article about Lenin, the most interesting contributions to which are to be published in *Gekkan gakushu* (Study Monthly).

The best works about V.I. Lenin will be selected and disseminated.

H. NUMATA

International conference on Leninism

An international theoretical conference on the subject "Leninism and Our Time," sponsored by **Problems of Peace and Socialism** in connection with the Lenin centenary, was held in Prague from November 19 to 21, 1969.

Delegations of the following Communist and Workers' parties participated in the conference: Socialist Vanguard Party of Algeria, Communist Party of Argentina, Socialist Unity Party of West Berlin, Communist Party of Bolivia, Brazilian Communist Party, Communist Party of Great Britain, Bulgarian Communist Party, Communist Party of Canada, Communist Party of Chile, Communist Party of Colombia, Communist Party of Czechoslovakia, Communist Party of Denmark, Communist Party of Ecuador, Communist Party of Finland, French Communist Party, German Communist Party, Communist Party of Germany, Socialist Unity Party of Germany, Communist Party of Greece, Guatemalan Party of Labor, Communist Party of Honduras, Hungarian Socialist Workers' Party, Communist Party of Israel, Communist Party of India, People's Party of Iran, Italian Communist Party, Communist Party of Japan, Lebanese Communist Party, Mexican Communist Party, Mongolian People's Revolutionary Party, People's Party of Panama, Communist Party of Paraguay, Polish United Workers' Party, Rumanian Communist Party, Communist Party of the Soviet Union, Communist Party of Spain, Left Party—Communists of Sweden, Tunisian Communist Party, Communist Party of Turkey, Communist Party of the USA.

The Conference took place in a businesslike and comradely atmosphere, in a spirit of creative and fraternal cooperation. In their papers the representatives of the fraternal parties showed the universal historic significance of Leninism—the Marxism of our time, how, under the banner of Leninism, the Communist movement has become the most influential force of our time, how the world revolutionary movement is spreading and growing stronger.

The Conference materials will appear in coming issues of **Problems of Peace and Socialism**, and will be put out in a separate book in different languages.

On the closing day of the Conference, November 21, 1969, its participants visited the V. I. Lenin Museum in Prague and the hall where the Sixth (Prague) All-Russia Conference of the RSDLP was held. The representatives of the fraternal parties made the following entry in the Visitors' Book:

"On the eve of the centenary of the birth of V. I. Lenin, the participants in the international theoretical conference 'Leninism and Our Time,' held in Prague, which Lenin, the leader of the international working class, had visited on more than one occasion, turn their thoughts to the immortal genius of our revolutionary epoch.

"We return to our parties filled with the determination to do everything to meet in a worthy manner the Lenin centenary, an historic date of world significance, to step up communist and theoretical work among the masses.

"Long live Leninism!"

1969: a political survey

JAN PRAZSKY

People measure the year's events and the prospects from the standpoint of their class background and political attitude. Communists do so from the standpoint of Marxism-Leninism, the most advanced revolutionary ideology. "Marxist-Leninist theory and its creative application in specific conditions," says the Address of the International Meeting of Communist and Workers' Parties on the Centenary of the Birth of Vladimir Ilyich Lenin, "permit scientific answers to be found to the questions facing all contingents of the world revolutionary movement, wherever they are active." *The Meeting of 75 Communist and Workers' parties last June in Moscow was an important factor, exerting a tremendous influence on world social development and the international political situation.* It infused added strength into the vanguard of the revolutionary movement, doubling its offensive capacity in the ideological struggle and practical revolutionary activity. It contributed to the greater cohesion of working-class parties

on the basis of Marxism-Leninism, and of all progressive and democratic forces, including the national liberation movement, in the anti-imperialist struggle. The preparations for the Lenin centenary, too, have had the effect of invigorating communism's ideological and political positions.

In the light of the events of 1969, Communists have reason to be optimistic. True, the anti-imperialist struggle, the process of consolidating the socialist system and cementing the international Communist and working-class movement, and uniting the progressive anti-imperialist forces, are accompanied not by success alone. Difficulties, perhaps even temporary setbacks, can be anticipated. But for Communists the road has never been easy: to demolish the old and build the new is the most difficult of historical missions. Yet the past year's general trends have given fresh impetus to the fight against capitalist exploitation and national oppression, against imperialism, for socialism.

SOCIALISM: A YEAR OF COOPERATION AND CONSTRUCTION

For many socialist countries the outgoing year was a year of important anniversaries, marking the first twenty or twenty-five years of their new life. And what this quarter century of socialist development, like the more than half century in the USSR, has yielded for the fraternal countries again confirms the objective advantages of the new system and the Marxist-Leninist postulates. Economic growth has been steady. Defense potential has increased. Social relationships and the well-being of the people have greatly improved.

FRESH ECONOMIC ADVANCE

The Marxist-Leninist parties are guided by Lenin's words that socialism exerts its greatest influence on world development by its economic policy. It is the *constantly growing economic potential of the socialist world system that contributes most to the common cause of the anti-imperialist forces.*

The statistics for 1969 are not yet available, but preliminary figures show that, as in the previous years, the economy of the socialist countries grew at a substantially

higher rate than did the capitalist economy.

Growth in industry, for example, amounted to approximately seven per cent. Electric power output in the 14 socialist countries, preliminary estimates show, exceeded 1,000 million kw-hours, which is ten times the annual output of twenty years ago when most of the fraternal countries had only begun their new life. Of the world's aggregate industrial product, the socialist states accounted for nearly 40 per cent, signifying that *socialism has advanced another step closer to the lead in material production, the decisive sphere of human activity.*

Better management and planning, giving fuller play to the potentialities of the new system and the scientific and technological revolution, continued apace in many socialist countries.

The Communist and Workers' parties in the socialist countries are fully conscious that the scientific and technological revolution has become one of the main areas in the historical competition between capitalism and socialism, that it is vital to the growth of the new society. That is why in these countries priority is accorded to technico-scientific progress.

The economic growth of the socialist world is traceable in many respects to the Soviet Union, which today accounts for nearly one-fifth of world industrial output. As in the previous three years, the main output and national income targets of the 23rd CPSU Congress were fulfilled, the 1968 power output surpassing 690,000 million kwh and that of steel exceeding 110 million tons and almost equalling that of the United States. Soviet industry, whose capacity two decades ago was less than one-third of that of the United States, now puts out an equivalent of 70 per cent of the U.S. output. *This is evidence of the constructive impact of the Leninist ideas, the ideas of the October Revolution.*

In Soviet production, 1969 was highlighted by the nationwide emulation movement in tribute to the centenary of Lenin's birth. The enthusiasm of the Soviet people was strikingly displayed on April 12, when a countrywide Communist subbotnik (a derivative of "subbota," Saturday, connoting a day of voluntary work for the commonweal.—Tr.) was held to mark the 50th anniversary of the first subbotnik, which Lenin described as "the great beginning" and a victory over the old attitude to work, the burgeoning of a communist attitude presaging a steadily rising productivity of labor. Soviet industrial workers, collective farmers and the intellectuals are well set

on that course, with 85 per cent of the accretion of the social product deriving from the growth of the productivity of labor.

COOPERATION SPURS PROGRESS

The member-countries of the Council for Mutual Economic Assistance comprise the most dynamic sector of the socialist economy, largely due to their ever-growing co-operation.* The CMEA summit session held April 1969, attended by Party and government leaders of Bulgaria, Hungary, the GDR, Mongolia, Poland, Rumania, the USSR and Czechoslovakia, imparted a fresh impulse to a new type of international division of labor, reaffirming the desire of the CMEA countries to maintain closer bonds in building socialism and communism. An unanimous decision was taken to examine the main trends in the CMEA countries' economic, scientific and technical cooperation, with the accent on improving and extending the forms and methods of coordinating economic plans, scientific, technical and economic forecasting and effective, enduring specialization and co-operation in production, closer technico-scientific collaboration, greater reciprocal trade and more active employment of monetary and credit relations.

The socialist countries have long since surpassed the capitalist world in economic growth rates, and will surpass it in the growth rate of the mutual division of labor. CMEA's share in world trade is approximately 10 per cent and is steadily growing. The advantages deriving from the international division of labor are to serve socialism. *The past year has seen important advances in this long-term trend.*

The session declared in favor of mutually advantageous economic links between the CMEA countries and the other socialist states, and links, too, with other countries, regardless of their social system. Socialism's gravitation towards cooperation with the non-socialist world, including the developed capitalist states, is also a long-term trend.

Last year and the year before much was said and written about Czechoslovakia. As Comrade Husak pointed out at the International Meeting in Moscow, his country became the center of attention among friends and foes alike. The Czechoslovak press noted that the Central Committee meetings in April, May and September 1969

*See Supplement in this issue about the economic growth of CMEA member-countries.

made a profound impact on the country's socio-political life, taking a strong stand in their resolutions against the counter-revolutionary, anti-socialist and anti-Soviet forces. The resolutions made the point that the Communist Party must be consolidated on the basis of Marxism-Leninism and proletarian internationalism, a class approach to home and international affairs and the leading role of the Communist Party in building socialism. Referring to international relations, the resolutions accentuated the principle of proletarian internationalism in face of the class division of the world and called for friendship and cooperation with the fraternal socialist countries, particularly the Soviet Union.

Czechoslovak-Soviet relations have benefited greatly from the October visit to the Soviet Union of a Czechoslovak top-level delegation. The statement on the visit, the Czechoslovak and Soviet press noted, was expressive of socialist internationalism in action and the further consolidation of the unity of the socialist commonwealth.

Mention should be made of the many bilateral and multilateral contacts between Party leaders and statesmen of most of the socialist countries. The venue of some was Moscow, though the fraternal capitals of Berlin, Warsaw and Sofia were also prominent meeting places. The visits have unquestionably benefitted mutual understanding and closer coordination in the anti-imperialist struggle.

Preceded by a sharp deterioration of relations between the People's Republic of China and the Soviet Union and many other socialist countries, the talks in Peking, begun on Soviet initiative, were a welcome development and attracted world attention. Clearly, the conflict, while not doing the struggle against imperialism any good, is a source of satisfaction only for our class enemies. In the socialist world acute situations are in many respects subjective, not intrinsic in the system. *Objectively, the socialist system rests on an identity of the vital interests and aims of the countries of which it consists. All differences between the socialist countries can and should be resolved on the basis of proletarian internationalism, by comradely discussion and free fraternal cooperation.* A positive outcome of the Peking negotiations would normalize Soviet-Chinese relations, adding to the strength of the socialist world system and the revolutionary movement as a whole.

Heroic Vietnam is still a theatre of combat against aggressive imperialism. Last

year the people of Vietnam and all progressives mourned the demise of Comrade Ho Chi Minh, who was an outstanding figure in the world Communist and national liberation movement. The peoples of the socialist community revere his memory and support the cause to which he dedicated his life. All types of aid to Vietnam were stepped up last year, marked by an extension of friendly relations with the Democratic Republic of Vietnam and the National Liberation Front of South Vietnam. The Moscow conference of the Party and Government leaders of seven socialist countries in December issued a Statement, calling for an end to the aggression in Vietnam and placing the responsibility for terminating the war on the United States. *The cause of the people of Vietnam is just, and will triumph!*

The visit to Moscow of the DRV Party and Government delegation, headed by Comrade Pham Van Dong, at the end of October greatly benefited the fraternal relations between the peoples of the Soviet Union and Vietnam. The agreement signed during the visit provides for Soviet shipments of industrial equipment, food, arms, raw materials and other items reinforcing the defense potential and economy of the DRV. The agreement is a model of *socialist internationalism, an objective factor in the growth of the socialist world system.*

Among last year's highlights may be mentioned the extension of contacts between the USSR and Yugoslavia, materializing in the visit to Yugoslavia of Andrei Gromyko, the Soviet Foreign Minister. This positive development in Soviet-Yugoslav relations is another important step in the consolidation of the socialist countries and a setback for the imperialist designs of driving a wedge between the peoples of the socialist countries.

Determined to protect the socialist gains, an international duty of Communists, the fraternal countries have firmed up the Warsaw Treaty organization.* The bonds between the respective armies have grown. *The organization plays an important part in safeguarding the security of the socialist countries against armed attack by the imperialist powers of the aggressive Nato bloc.*

The cooperation of the Warsaw Treaty countries is a dependable shield against imperialist aggression, a guarantee of Euro-

*It includes Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Rumania and the Soviet Union.

pean security. That is the reason for its progressive international significance.

SOCIALISM AGAIN INITIATOR OF PEACE MOVES

In the spring of 1969 the Warsaw Treaty countries made their suggestion for an all-European security conference. At a meeting in Prague at the end of October, the foreign ministers of the Warsaw Treaty countries submitted concrete suggestions concerning the agenda, time and place of the conference. Recognition that *the post-war changes in Europe are irreversible* is, of course, a precondition of success.

It is in the interest of peace and security that all governments should establish equal relations with the GDR under international law, recognizing as final and irreversible the existing European frontiers, including that along the Oder and Neisse. Relevant, therefore, is the GDR offer of a treaty between the two German states *on full disarmament and removal of nuclear arms from their territories*, which would contribute greatly to European security.

European security, however, is but one of the elements of *a comprehensive peace program advanced by the socialist countries* last year. Under this head, too, was the Soviet initiative for a UN General Assembly discussion on reinforcing world security. Any procrastination in this respect would be tantamount to letting things slide towards the nuclear brink.

These facts are convincing evidence of the fraternal countries' expanding political cooperation and coordinated action on the international scene.

The Moscow Conference of Party and government leaders of seven European socialist countries in December added considerably to the effectiveness of joint action

and was a contribution to the fight for European peace and security.

World opinion followed the Soviet-U.S. negotiations for slowing down the strategic arms drive, stockpiles of which have dangerously grown. The Soviet Union is for using the funds thus released for peaceful purposes, a humane objective also served by the proposal tabled in the UN by the Soviet Union and other socialist countries for a convention to outlaw and destroy chemical and biological weapons. The socialist countries, the communique of the Moscow December conference noted, attach importance to the Nuclear Non-Proliferation Treaty serving in full measure to secure the peace. They desire that the greatest number of countries should sign it and that it be speedily ratified and enforced; they also call on all governments to display good will and readiness to tackle the job of general disarmament.

The joint actions of the socialist countries in this area of international relations may be fittingly described as a peace offensive on the threshold of the Lenin centenary.

In sum, the past year has been a difficult but fruitful one in the history of the socialist community, highlighted by fresh efforts to cement the unity of world socialism and to consolidate it. Reactionary "prophets" continued with their tale of a "crisis" of world communism, predicting the doom of socialism and the Communist movement. But the scales tilted the other way, towards closer socialist unity, with socialist might growing and socialist influence in the world increasing. *The trend towards unity has become more marked in the socialist community* during the tense political and ideological clash between socialism and imperialism, lending definite historic weight to the past year.

CAPITALISM A YEAR OLDER: NEW SEATS OF TROUBLE

The year by which the capitalist system has grown older was marked by an intertwining of conflicting processes in production and marketing, in foreign trade, international settlements, relations between imperialist countries and the functioning of their blocs and alliances. The year's statistics, soon to be published, will help draw more conclusive judgments about capitalism's showing in 1969. What matters most, however, are not figures but the typical trends.

THE MAN IN THE STREET PAYS FOR THE ECONOMIC ILLS

Somewhere in mid-year threatening clouds gathered on the capitalist economic horizon. Growth rates declined in the United States and Britain, and gloomy forecasts were made in France and in Federal Germany. Contrary to the rosy optimism at the beginning of 1969, industrial programs were cut in the USA and unemployment figures climbed. The FRG grappled

with balance of payments problems, while monetary shakeups introduced an element of uncertainty into the economies of Britain, France and other countries. As a result, the industrial accretion of the capitalist world, it is estimated, declined to approximately four per cent against the 7.1 per cent of 1968.

Economic growth was uneven. It was distinctly greater in Japan and the FRG than in France, Britain and the United States (with some estimates pointing to a drop in U.S. physical output). More distinct still were growth rate disparities in the industries associated with the scientific and technological advance. This brought into collision the interests of the leading imperialist powers and monopolies on the world market, sharpening antagonisms and sparking customs conflicts and "trade wars."

The past year confirmed the logic of capitalist development—steady polarization of wealth and poverty, a process spurred on by the rising cost of living, depreciation of wages and the pernicious consequences of devaluation. State-monopoly efforts to curb business, increase taxes and tighten credit terms, reducing purchasing capacity, were an additional burden for the wage-earner. Moreover, by the end of the year unemployment increased in many capitalist countries.

The economic developments brought out in relief the main contradiction of the capitalist system, that between the social nature of production and private appropriation by a handful of proprietors and monopolists, which struck again at the theory of the "classlessness" of modern capitalist society and the "integration" in it of the majority of the people. This contradiction generates social conflicts, the main classes of capitalist society coming to grips with each other. To perpetuate the class relationships, capitalism employs a variety of means ranging from naked violence against the labor movement to social demagoguery and bourgeois reformism. The main weapon of the people in this confrontation is organized mass struggle against the pillars of the capitalist system.

FORCES SAPPING THE STRENGTH OF CAPITALISM

1969 was highlighted by *unprecedentedly bitter class battles against monopoly rule, imperialism and its policy*. The wave upon wave of strikes, expansion of their social basis, radicalization of the labor and trade union movement and the vast scale of the

democratic movements have shaken the system of exploitation and violence to its foundations.

Imperialism had to face up to the spread of class antagonisms in width and depth. The anti-imperialist forces became not only more massive and united, but also more clearly oriented. The autumn demonstrations against the Vietnam war were more pronouncedly internationalist; the November "moratorium" in the United States was accompanied by anti-war demonstrations in Britain, Italy, the FRG and France, with tens of thousands in other countries, too, displaying their solidarity with the Washington marchers. Strikes spread out across national boundaries, involving related industries. Economic demands blended with political ones and urgent demands with more long-term and profound action programs. *The organizing role of Communist and Workers' parties, the workers' vanguard, in anti-imperialist actions increased.*

An acute social and political crisis gripped the United States, the citadel of modern capitalism. The country was shaken by the massive nationwide actions against the Vietnam war, involving millions of Americans, with more than 300,000 taking part in Washington alone. The anti-war sentiment was far from being the "emotional outburst of alienated groups," as the ruling quarters would have us believe. It escalated into a variety of conscious and deliberate actions by varying social groups, and made a profound impact, because it merged with a marked upswing of activity among the advanced sections of the U.S. working class, the Black Liberation struggle and the mass actions of the youth.

In France, 1969 was a year of victories for the progressive forces, highlighted by the defeat of the authoritarian regime and by the big vote for the Communist Party candidate in the presidential election. Gaullism's defeat is traceable to the general sharpening of the socio-political situation, the 1968 May-June events and the workers' mass struggle, especially in the last six months.

Italy, too, was a scene of big class battles. The year began with a general strike of 18 million and ended with another national strike involving practically the entire active population. Strikes organized by the General Confederation of Labor, jointly with the other two large trade union centers were highlighted by united action by people of different political convictions, ranging from Communists to Social-Democrats and Catholics.

Britain's workers, too, fought hard for their economic rights, against ever-rising prices, against impingements on trade-union rights, and against the government's economic policy. Dockers, electricians, miners, steelworkers, motor-industry workers and postal employees joined the struggle. The death of the prices and incomes policy, an "innovation" of bourgeois reformism, ranks high among the successes won by Britain's workers and their trade unions.

In the FRG 1969 was also marked by a rise of the mass movement. The people acted for peace, against neo-Nazism and militarism, and for economic demands, their "extra-parliamentary opposition" largely shaping the relation of strength in the Bundestag elections. Among the more important results of this was the defeat of the Kiesinger government and the victory of the Social Democrats,* the collapse of the neo-Nazi National Democratic Party's election plans and, consequently, the erection of a barrier to unbridled revenge-seeking propaganda. The constituent congress in Essen which founded the German Communist Party in the setting of heightened class struggle, wrote a welcome new chapter into the chronicle of the labor movement in the FRG.

The outcome of the FRG elections reflected the public aspiration for a realistic policy of cooperation and mutual understanding between states. The signing by the new government of the Nuclear Non-Proliferation Treaty is certainly to be welcomed. However, the unceasing manifestations of revanchism and the activity of the neo-Nazi forces should not be overlooked, for they call for constant vigilance on the part of the working people.

Intensive class struggles also unfolded in Japan, Spain, Canada and other countries, bearing out the conclusion of the International Meeting of Communist and Workers' Parties that "*in the citadels of capitalism . . . the working class is the principal driving force of the revolutionary struggle, of the entire anti-imperialist, democratic movement.*"

The discontent with the home and foreign policy of the imperialist governments expressed in joint mass actions by the workers, farmers, intellectuals, the youth and students has deepened the political crisis in the more developed countries of the capitalist world.

*An analysis of the political situation in the FRG after the formation of the Brandt-Scheel government is contained in the article by G. Gautier in this issue.

GROWING INTER-IMPERIALIST CONTRADICTIONS

Another feature of 1969 was the *interweaving of the internal and international contradictions of capitalism*. Inflation, budget deficits and the instability of some currencies added to the balance of payments and trade balance problems, impeding a solution of the worldwide monetary crisis and raising new barriers to international trade. As a result, despite the mutual reductions of customs tariffs under the Kennedy Round, trade and monetary contradictions between the United States, on the one hand, and the West European countries and Japan, on the other, continued to build up.

The new wave of monopoly concentration in the United States and Western Europe, expressed in a tendency towards "gigantism," revealed new features in the image of modern capitalism.* The huge monopoly amalgamations with their billion-dollar assets are outgrowing the national frameworks. Appearing on foreign markets, thanks to state aid, these outsize giants become rivals and competitors of unheard-of power. The annual turnover of General Motors, one of the giants, for example, exceeds the gross national product of 112 of the 126 UN member-countries. Similar amalgamations, though smaller in scale, are growing also in other countries. Pillars of imperialist expansionist policy, these international monopolies deepen the rift between the economic and political interests of the main capitalist states.

Inter-imperialist contradictions are strongly in evidence, despite the general imperialist trend towards concerting effort and despite the politico-military and economic blocs; contradictions have surfaced even inside the blocs.

In its twenty-first year, NATO, as described by the *American Daily World*, is still "a network of entangled alliances separated from one another by large credibility gaps."

France's withdrawal from NATO's military organization, Canada's decision to halve its troops in Europe, Britain's idea of a special European group in NATO, the distrust displayed by some NATO members of the dictatorial regimes in Greece and Portugal, and, lastly, the sentiment expressed in the U.S. Congress for a cut-back in the U.S. armed forces in NATO—all this is undermining the foundations of imperialism's chief politico-military grouping. Its weakness is also seen in the con-

*See Victor Perlo article in this issue.

flicting reaction to the recent Prague proposal for a European security conference made by the Foreign Ministers of the socialist countries. The negative U.S. stand and the hesitant British maneuvers are not getting the full amount of support from a number of European countries and have been severely criticized by the public.

The year opened with acute contradictions in the European Common Market. Facts are piling up to show that the basic economic interests of the various countries are colliding, affecting the pillars of European integration. The isolation of French farm products from the joint EEC agrarian market after the latest devaluation of the franc is hitting painfully at "green Europe." The French government's stern policy with regard to foreign investments is upsetting the free flow of capital between the EEC countries as a key principle of integration.

The termination of de Gaulle's political career has not yet removed the obstacles to Britain's admission to Little Europe. The hopes that followed de Gaulle's retirement of the entry into the Common Market of Denmark, Norway and Ireland have not materialized. The divergent interests of countries party to the EEC and EFTA tend to sharpen the set of West-European contradictions, affecting the other organizational units of European cooperation.

A complex maze of contradictions has appeared also in the Western Hemisphere inside the inter-American "community." The past year's developments struck a deadly blow to the Alliance for Progress and to the entire U.S. policy in Latin America. The economic situation has deteriorated in many countries and the social and political conditions on the continent as a whole have become more acute, with anti-U.S. sentiment running high. A number of Latin American countries, including Peru and Bolivia, continued with their policy of nationalizing U.S. companies, while demands for a similar policy resounded in Venezuela and Argentina. U.S. economic

"aid" has evoked many protests. The general dissatisfaction with U.S. policy was manifested most clearly during Rockefeller's inglorious tour of twenty Latin American countries, which resulted in the scrapping and actual failure of the U.S. political concepts for the Western Hemisphere.

The economic and political contradictions between the leading imperialist powers became more acute due to the unstable monetary relationships. The devaluations in Britain, France and in other countries, and the FRG's reluctance to upvalue the mark, coupled with steep currency fluctuations produced breaches in the capitalist world's monetary system based on the 1944 Bretton-Woods agreement. That system, which in 25 years has experienced 60 devaluations and four revaluations, needed, and received, a new stimulant at the joint Washington session last autumn of the International Monetary Fund and the International Bank for Reconstruction and Development. In addition to gold, it created a new international unit of payment: "paper gold." IMF members are now entitled to use in the course of the coming three years \$9,500 million of its funds to balance their international settlements. Indicatively, 76.5 per cent of this sum is allotted to the ten most developed capitalist countries. For example, the United States will get nearly \$900 million in 1970, while all the African countries combined will get only \$60 million.

Will this injecting suffice to remedy the world trade and settlements difficulties? P. Samuelson, U.S. economist, wrote a year ago that the introduction of Special Drawing Rights (SDR) is a highly dubious drug.

Thus, for capitalism 1969 brought into clearer relief the malignant tumors of the hopelessly sick organism, defying all treatment. Attempts to medicate some of the ills reproduce them in other areas, ultimately accentuating the general affliction, that of senility.

YEAR OF STRUGGLE FOR INDEPENDENCE AND PROGRESS

The national liberation struggle in Asia, Africa and Latin America gained in scale, became more effective and purposeful, its role increasing in the world revolutionary process. This is evidenced by the situation in the front line of the fight against imperialism, the sustained socio-economic and democratic reconstruction in the newly-independent countries, the over-

throw of a number of reactionary regimes and the succession of progressive patriotic actions against foreign monopolies.

THE GROWING RESISTANCE TO THE AGGRESSORS

The situation in *Southeast Asia*, particularly in Vietnam, shows a chasm opening

between the aggressive neo-colonialist designs of U.S. imperialism and its ability to realize them. One of the American interventionists' key strategic objectives of the year, as they saw it, was to gain control of the South Vietnam countryside by the notorious "search-and-destroy" operations against the National Liberation Front, in which process, however, they massacred peasants and their families wholesale. The world was shocked by the appalling revelations of U.S. servicemen massacring hundreds of men, women and children in Song My village.

The U.S. strategic plan failed again in 1969, whereas the political weight of the Provisional Revolutionary Government of the Republic of South Vietnam and the National Liberation Front, grew, their concrete ten-point program for a peace settlement multiplying the ranks of their supporters among the people. In the course of the year people's revolutionary committees were established in all 44 provinces. Administrative bodies of the national-revolutionary power function at all levels. The Republic of South Vietnam has been recognized by many countries.

As for the U.S. aggressors, their military, political and economic difficulties, stemming from the Vietnam war, have snowballed. Washington had no choice but to resort to a new maneuver, announcing its intention to "Vietnamize" the war, that is, equip the Saigon army with enough arms to carry on in the field by itself, while U.S. units would be withdrawn gradually and would avoid combat losses. What the scheme shows is that the U.S. imperialists are set on prolonging the war, consolidating the Saigon puppets and urging Vietnamese to fight Vietnamese.

But "Vietnamization" will hardly get Washington anywhere. The U.S. imperialists will never succeed in imposing their will on the people of Vietnam. They cannot cope with the cumulative effect of such permanently operating factors as the heroism of the people, the aid of the socialist countries, above all the Soviet Union, the growing international solidarity and the anti-war sentiment at home.

In the *Middle East* the anti-imperialist struggle became more bitter. Aided financially by the United States, the FRG, and other imperialist powers, the Israeli militarists extended their armed provocations against the United Arab Republic, the Syrian Arab Republic, Jordan and other Arab states, resorting to rocket missiles, planes and tanks, and gravely endangering

the future of the Middle East peoples and world peace. Supported by the socialist and other peace-loving states, the Arab countries retaliated.

The upswing of the national liberation movement and the sustained socio-economic reconstruction were further propelled by the drive for Arab unity. The socialist countries are working for a lasting and just peace in the Middle East. The crucial issue is for Israeli troops to withdraw from the occupied Arab land. This, a fundamental point, is advocated by the Soviet Union, which took part last year in consultations with various UN countries, including the USA, Britain and France, the other three permanent Security Council members. An appeal to the nations and peace-loving states to assist in resolving the Arab-Israeli conflict was contained in the statement by Communist and Workers' parties and the governments of the six European socialist states—a statement received by the public as an expression of profound concern for Middle East peace.

The attitude of the Soviet Union and of the other socialist countries is motivated by a desire to safeguard peace and to prevent imperialism from reversing matters in the liberated countries. *Possessing great economic and military strength, the socialist world system is a decisive force in the anti-imperialist struggle.* The socialist community did not let the imperialists overthrow the progressive UAR and Syrian regimes, helping to reinforce them and to build up the defense-capacity of Arab countries, carrying through socio-economic democratic reconstruction. The socialist orientation of these and some other young African and Asian states is a grave setback for imperialism. To support these countries is an important aspect in the common anti-imperialist struggle of the peoples.

Last year the bourgeois press reported that the military potential of the UAR had increased over that of the summer of 1967 when Israel launched its aggression. In repulsing Israeli provocations the UAR has displayed this increased military strength in action. It derives not only from the modern weapons supplied by the socialist countries; important, too, is the patriotic spirit of the Army, purged of members of the exploiting classes who had occupied high posts of command. In many respects, it also derives from the country's sustained radical democratic socio-economic reconstruction. The UAR government continued its nationalization program and extended the land reform in the interest of the work-

ing peasants, introducing a new landholding maximum of 50 feddans per person instead of the previous 100.

SOCIALISM'S GROWING POWER OF ATTRACTION

The past year was highlighted by a considerable expansion of the national liberation struggle on the *African continent*. Reactionary regimes were overthrown in Somali, Libya and in the Sudan. In Angola, Mozambique and Guinea-Bissau patriotic revolutionary forces inflicted heavy defeats on the Portuguese colonialists who were supported by the NATO bloc. In the Republic of Chad the populace clashed with government troops. Many newly-independent African states worked to overcome economic backwardness, to build up an industry and to raise the standard of living. And those which put curbs on foreign capital and refused to be trapped in the meshes of imperialist "aid" achieved a measure of success. Far-reaching socio-economic reconstruction continued apace in those African countries that have opted for the non-capitalist way. In the Algerian People's Democratic Republic, for example, where a bitter struggle against the French monopolies is still raging, the progressive forces persevered in their offensive against home reaction, with government ordinances issued to firm up the cooperatives. Yet in many countries the drive for economic independence still encounters considerable snags, though the past year showed that the urge for radical reconstruction is greater than ever. Tanzania is pressing forward with the program of socio-economic reconstruction set out in the 1967 Arusha Declaration, with banks being nationalized and state participation expanding in different spheres of production. The revolutionary government in the Sudan, which assumed power in May, declared its determination to cement friendship and cooperation with the socialist countries, to deliver the country from foreign domination, to accelerate industrialization and to promote the cooperative movement.

That many young states follow the non-capitalist way, which is part of the universal transition from capitalism to socialism, and that the number of these states is increasing, bears out convincingly V. I. Lenin's prediction that "in the impending decisive battles in the world revolution the movement of the majority of the population of the globe, initially directed towards national liberation, will turn against

capitalism and imperialism" (*Collected Works*, Vol. 32, p. 482). The reconstruction presently under way in the Third World refutes the contentions that decolonization is "rejuvenating" capitalism. Many Third World countries, it is true, are still searching for their way, but time will prove that they will not secure progress or raise the standard of living until they adopt the socialist orientation.

Naturally, the democratic socio-economic reconstruction in the Third World countries is not a path of roses. It encounters resistance not only from imperialist quarters, but from the local big bourgeoisie that shares profits with foreign monopolies. The antagonisms between the working class, peasants and other democratic groups and home reaction have grown more acute. The tensions in India are a graphic example. The crisis in the Indian National Congress Party was precipitated by a clash between the protagonists of progressive democratic reconstruction (Prime Minister Indira Gandhi and others) and the reactionary "Syndicate." It flared up over the government decision to nationalize fourteen of the biggest private banks, placing something like 30,000 million rupees at the disposal of the government for financing industry, including the state sector, and developing backward agricultural areas. Wholly in keeping with the country's needs, the measure evoked strong opposition from the bigger monopoly groups, the reactionary Swatantra and Jana Sangh parties and the Right wing of the National Congress leadership. However, backed by the vast majority of the National Congress membership and large sections of the people, Indira Gandhi and her followers stemmed the opponents of progressive reform, which showed that capitalism, though quite far advanced in India, cannot resolve her crucial problems of chronic unemployment and widespread pauperism, and that it is increasingly unpopular among the masses.

The colonial past has imposed an unfortunate legacy on the Third World countries. To overcome the effects of a one-sided economy, a restricted home market and dependence on foreign markets is extremely difficult. Imperialism and neo-colonialism, and their influence, are still strong, deriving from the strong positions still held by foreign capital in some Asian, African and Latin American countries, the continued foreign monopoly penetration and the economic "aid" mechanism. As a result, in many Third World countries the

past year's national income per head of population was but a fraction of that of the United States and the other highly developed capitalist states, with tens of millions of people reduced to semi-starvation, and education and health appallingly neglected. The past year showed that the fight against economic dependence strengthened the positions of the progressive forces advocating curbs on monopoly activity and radical socio-economic changes.

THE ANTI-IMPERIALIST FRONT EXPANDS

The surge of national liberation won masses of people for the anti-imperialist battle. The strike movement gained in intensity, especially in India, Argentina, Venezuela and Colombia. The peasant movement for agrarian reform grew to vast proportions. People from different walks of life, including intellectuals and students and some of the national bourgeoisie, joined the movement against imperialism and against the aggressive war in Vietnam.

Combating the national liberation movement, imperialism and local reaction resorted to the police and the armed forces, using them to bolster up tyrannical dictatorships, to assault the progressive forces and to secure a favorable climate for the functioning of foreign monopolies and home exploiters.

However, recent events show that considerable patriotic and anti-imperialist sentiment is simmering in the armed forces. Under the impact of the anti-imperialist movement, the deeper contradictions between the developing countries and imperialism, servicemen are siding increasingly with the struggle for national liberation. The past year provided proof of this *new trend of political activity among the democratically-minded officers, who regard it as their duty to defend the country's national interest.* In September the overthrow of the monarchist regime in Libya, closely linked to the United States and Britain, was an example. The officers who took over have set out to reinforce national independence, to combat colonialism and to extend cooperation with the more advanced Arab countries. They announced the nationalization of foreign banks, annulled a number of economic agreements with the United States, and insisted on closing down Wheelus Field, the U.S. airbase, and the British bases. This development was a painful blow to neo-colonialism and imperialist strategy in the Mediterranean.

Similar developments were observed in Latin American countries, where officers often served as the tool of imperialism and home reaction, closely linked with the former. In September, Army quarters effected a bloodless coup in Bolivia, with the new government following in the footsteps of Peru's military government and annulling the oil code adopted under U.S. monopoly pressure. It announced a policy of industrialization and promised to extend the agrarian reform.

The stormy events in Latin America were a sequel to the general upsurge of the national liberation and democratic movement, to the working-class struggle in the capitalist countries and to the further consolidation of the socialist world system; they were not spontaneous. An important part in them was played by the Communist and Workers' parties. The example of Socialist Cuba, which celebrated her tenth anniversary with notable success in building socialism, despite countless imperialist provocations, also exerted a powerful influence on the mass struggle. However, the political and economic foothold of the U.S. imperialists, who rely on the numerous reactionary regimes, is still strong and they may mount a counter-offensive at any moment, in which case they will make use of local military groups still willing to serve them.

All in all, 1969 was a complicated year for the Third World, exposed as it is to sustained pressure by the imperialist neo-colonialist forces. However the countries conditionally classed as belonging to this Third World, displayed one common feature: the new and progressive taking the upper hand over the old and reactionary. *Expanding in width and depth, the national liberation movement impaired the positions of capitalism and imperialism and brought about a further shift in the balance of world forces in favor of socialism and communism.*

* * *

Another year has passed on its way, a year of hard work and hard-fought class battles, clashes with imperialism and advances for socialism and the world Communist movement, the year of the International Meeting of Communist and Workers' Parties.

The events of 1969 have reaffirmed the fundamentals of Marxism-Leninism:

—the guiding role of the working class,

the main motive and mobilizing force of the revolutionary struggle and the entire democratic anti-imperialist movement;

—the socialist world system, the main offspring of the international working class, is the decisive force in the anti-imperialist struggle;

—the need for joint anti-imperialist action by all democratic and revolutionary forces and for cementing the alliance between the socialist system, the labor movement and the national liberation movement;

—the need for cohesion among the Com-

munist and Workers' parties, the key factor in the unity of all anti-imperialist forces.

World socialism and the Communist movement are entering the year of the Lenin centenary stronger, more mature, more closely united under the banner of Marxism-Leninism.

Another step, a firm and substantial one, has been taken along the way blazed by Lenin towards the universal triumph of peace, democracy and socialism.

The world's socialist renovation continues.

An act for unity

PIERRE GENSOUS

THE SEVENTH WORLD TRADE UNION CONGRESS

Delegates attending the World Trade Union Congress in Budapest last October, represented a rank and file of more than 153 million in 97 countries and a number of influential international and regional centers, including the United Nations and the International Labor Organization. Apart from the national trade union affiliates, whose number has grown from 41 to 51 (total membership 134 million) since the previous Sixth World Congress, the meeting in Budapest was also attended by observers and visitors from 46 non-affiliated organizations.

The agenda covered considerable ground. Discussed were the main report on the role and responsibilities of the WFTU and individual unions in cementing unity and promoting social progress, trade union and democratic rights, national independence and peace, while combating monopoly exploitation, imperialism, colonialism and neo-colonialism. Congress also discussed solidarity with Vietnam and the Arab fight against the aggressors. Discussed were reports on the trade unions in the developing countries, the effects of the scientific and technological advance on trade union work

and various other topical problems. Simultaneously, considerable work was done by the eleven commissions formed to examine various aspects of trade union activity.

Speakers noted the importance of the forthcoming centenary of V. I. Lenin's birth, with delegates warmly approving the issue of a relevant address.

Congress adopted a number of important documents, including a resolution on Vietnam, a message to the workers and peace supporters in the United States, a document on the orientation of trade union actions, defining the place, importance and tasks of the trade-union movement in the world of today. The WFTU called for united action and active solidarity in the fight against imperialism, colonialism and neo-colonialism, for social progress, democracy and freedom, national independence and international peace and friendship.

Congress approved amendments and complements to the WFTU constitution and partially reorganized its central bodies. The changes are designed to reinforce the democratic principles of the world organization and assure the equality of all affiliated national centers. The newly elected Central Council includes Enrique Pastorino (Uruguay), President, and Vice-Presidents Be-

noit Frachon (France), Shafia Ahmed el-Sheik (Sudan) and S. A. Dange (India). Ex-Secretary-General Louis Saillant was elected Honorary President.

By all indications, the Budapest Congress was a momentous event in the world trade union movement, invigorating fraternal unity and cohesion.

NEW DEVELOPMENTS

Through 1955-69, despite various obstacles, progress has been achieved in the matter of unity.

The positive trends noted by the 1965 Congress were reaffirmed. United action has made definite strides in the capitalist countries, where the movement is still divided. Contacts between the national trade-union centers in the socialist countries and unaffiliated unions in the capitalist states have grown, and so have contacts between the WFTU and its Trade Union Internationals (TUIs) and non-affiliated national organizations.

Signs have appeared of a general gravitation toward unity, marked by the crisis in the International Confederation of Free Trade Unions (ICFTU), by the changes in the International Confederation of Christian Trade Unions, the new relationship between the WFTU and the All-Africa Trade Union Federation and the International Confederation of Arab Trade Unions, and the thaw in relations between centers of different orientation in a number of capitalist countries.

What is behind this evolution, and what are its concrete forms?

As we see it, unity has been furthered by the exigencies of the class struggle and defense of the workers' interests. The realization is growing that concerted effort by the entire working class is needed to thwart the monopolies and to advance a progressive policy, to vanquish imperialism and safeguard peace.

This is evident in the national and international context. We are witnessing a surge of sentiment against the old barriers to normal relations between the unions in the different countries and different orientations, which weaken the common front. With the growth of international monopolies and the process of international economic integration gaining pace, the need for internationalizing trade union life and, consequently, eradicating frontiers created by the split, is felt more distinctly. To oppose the international monopolies and their international alliance we need a united front.

The workers' battles in capitalist countries have been a powerful catalyst of united action on a national scale and of closer international contacts, paving the way to unity of international action.

EUROPE: IN SEARCH OF UNITY

The process is especially marked in Europe.

Working-class actions in *Italy* have advanced the unitarian trend among the three trade union centers, reflected in joint demands and in joint direction of strikes. Recently, a congress of the General Confederation of Labor advanced proposals to promote the unitarian process.

In *France*, class battles have also stimulated united action, as illustrated by the 1968 May-June strikes.

In *Belgium*, the General Federation of Labor and the Christian center present common platforms, and confront employers jointly.

In *Spain*, the Workers' Commissions representing wage-earners in the enterprises are democratically elected, bringing together people of different political views. This has given rise to a unitarian movement which, though illegal under the Franco legislation, exists openly and grows steadily despite persecution. The old trade union split is being overcome, holding out the promise of a democratic and united movement.

In *Finland*, too, lively exchanges last year culminated in a trade union alliance.

Unity is also emerging on an all-European scale. Contacts have been forged among unions and federations of France, Italy, West Germany, Great Britain, Belgium, Luxembourg, and other countries.

An obvious need has arisen for international trade union cooperation in the framework of, say, the big trusts that have branches in several countries. This extends also to cases where concentration of production and capital is accompanied by rationalization and resultant unemployment. Wage-earners of different enterprises are compelled to maintain contacts to counter inter-employer agreements, which quite considerable success. Above all, this applies to enterprises in the Common Market countries, such as Michelin, Philips, Saint Gobein, Fiat-Citroën, and others. The five metalworkers' federations in Italy and France, belonging to different international centers, at a conference in May 1969 reaffirmed "their determination to act in unity, countering European and world ca-

pitalism by the united action of the entire trade union movement, which can either at trust level or a more general level ensure a steady improvement in conditions in the factories and in the country."

A similar development is seen in the food, printing, shipbuilding, aircraft and other industries. Joint action has also been taken in some other European countries, including the manifestation early in November 1968 in Genk (Belgium) in support of the 8,000 striking Ford-Genk workers.

The May-June 1968 strikes in France evoked a wave of international class solidarity in Europe and elsewhere. Among the more striking examples of solidarity in relation to the printers in France was that of the International Federation of Printing Workers, which instructed all its members in Europe to refuse French printing jobs in their countries.

This brought out what the Trade Union Internationals can accomplish in Europe, carrying forward the common union demands and studying the situation in order to direct the struggle of all wage-earners against the international monopolies. The TUIs could also help frame common union demands for enterprises run by the same monopoly in different countries.

The discussion of specific issues related to common demands produced positive results. The idea of a united front, first of the different trade union centers in the Common Market countries, as a counterweight to the monopoly alliances, has made considerable progress, due largely to the efforts of the French General Confederation of Labor (GCL) and the Italian Confederation of Labor (GICL).

In Belgium, for the first time, the ICFTU-affiliated General Federation of Labor at one of its congresses expressed a positive attitude to the two European WFTU organizations and a similar stand was recently taken by the president of Belgium's Christian trade union center.

Britain's Trade Union Congress, too, spoke against the persisting split in the movement and instructed its Council to examine all means leading to friendly contacts and consultations with all unions and federations of good will with the aim of promoting social progress for all working people.

Unions in Italy and Luxembourg, affiliated to the ICFTU, have also repeatedly urged an end to the discrimination against the GCL and GICL in the Common Market bodies.

The West German Gewerkschaftsbund

(DGB) passed a resolution at its last congress, which, while not going far enough for many delegates, was a considerable advance from the discriminatory postures of the past. The resolution says, among other things: "The leadership of the DGB is authorized to examine the likelihood of negotiating problems concerning wage-earners at the all-European trade union level in the framework of the European Economic Community, between ICFTU and non-ICFTU unions."

The Hague congress of European ICFTU organizations recently decided to establish a European Confederation of Free Trade Unions. The resolution said: "Taking into consideration the decision of the Commission for European communities to develop certain working contacts with the standing committee of the GCL and GICL, Congress instructs the Executive Committee closely to follow the situation and its evolution."

Presumably, if these words have meaning, the new confederation is "taking into consideration" the current changes, renouncing the restrictive and discriminating attitude adopted by some of its members and specifically by the European ICFTU Secretariat against the presence in the EEC bodies of GCL and GICL representatives. The first congress of the European organization of the World Confederation of Labor (formerly the International Confederation of Christian Trade Unions), declared in a resolution that it "instructs the committee to examine the question of contacts with trade union organizations of other trends, stressing the topicality of this question on the strength of the decision of the Commission for European communities concerning contacts with the GCL-GICL Standing Committee."

This stand mirrors the changes in European trade union relations, offering perspectives inconceivable a few years ago. That the lifting of restrictions on GCL and GICL participation in the EEC bodies will help extend contacts is self-evident, promoting mutual understanding, fortifying cooperation and advancing united action on a European scale.

The interest in the preparations of the International Labor Organization for its second European conference, offering added opportunities for closer rapport among trade unions, should be considered in the light of this evolution.

LATIN AMERICA: THE UPS AND DOWNS

In Latin America, too, the unitarian process is well under way. More, it may be

described as a qualitative leap from the state of affairs before 1965.

The Latin American trade-union movement has been split for years, the strife often assuming dramatic forms and causing stormy collisions due to the nefarious actions of U.S. imperialism, which uses all possible means—powerful ones, it must be said—to split the Latin American working class. It is no secret that the Central Intelligence Agency and the American Federation of Labor—Congress of Industrial Organizations (AFL-CIO) are “operating” on the continent, which redoubles the importance of unity and united action. The unions affiliated to the WFTU and organizations of the Permanent Congress of Latin American Trade Union Unity have greatly stimulated the unity process, their perserving efforts evoking an effective response among the rank and file and some of the leaders of other organizations.

Progress has been achieved in cementing regional and national contacts between the Permanent Congress and the Latin American Confederation of Christian Trade Unions. At the conference for Latin American Integration in Santo Domingo, May 1969, the Confederation called for concerted action in promoting non-capitalist development in the continent.

The founding of the Committee for Trade Union Unity in Central America in February 1969 in *Costa Rica*, designed to promote contacts among union centers in the region and to work for ultimate unity, is another considerable step forward. Despite the anti-unitarian posture of the Inter-American Regional Organization of Workers leadership (ORIT-ICFTU), contacts are developing with some of its affiliated organizations.

Another positive development is the revival of the General Labor Confederation of *Peru*, bearer of the militant traditions of the country's working class. A member of the WFTU, the Confederation is affiliated to the Permanent Congress.

The Fifth National Congress of the Unity Center of Chilean Workers in November 1968 incorporated new sectors and organizations. Today, the Center is the most powerful labor organization in Chile's history, representing wage-earners of all trades and political trends.

A congress of the National Convention of Labor (*Uruguay*) last May reaffirmed the organic unity of the nation's workers and is today the leading political and social force representing all sections of the working people.

In *Venezuela*, the Confederation of Labor (member of ORIT), the WFTU-affiliated Unity Center of Labor and the Confederation of Autonomous Trade Unions are expanding contacts, their leaders committing themselves to the effort to build a single trade union center.

A Unitarian Trade Union Committee, embracing organizations of all trends, has been founded in *Costa Rica*.

Conferences and contacts between industrial unions, organized with the help of the respective Trade Union Internationals, are another welcome feature. Latin American conferences of commercial, textile and leather workers, metalworkers and municipal workers, the latter founding a confederation of civil servants, proved a marked success. WFTU cooperation has expanded with various autonomous trade union organizations, those of Chile and Uruguay, the Colombian Confederation of Labor, the Bolivian Workers' Center, and others.

Fraternal relations of cooperation and solidarity, formalized in a joint action protocol concluded in 1967 and a joint statement signed in May 1969, prevail between the WFTU and the Permanent Congress.

Apart from its cooperation in various WFTU and TUI initiatives, the Permanent Congress was instrumental in convening a regional conference on social security problems, held in Santiago, Chile, in July 1968, attended by organizations of different orientations from most countries of the continent, including the Confederation of Christian Trade Unions, Confederation of American Teachers, Brazil's Confederation of Workers of Community Services and representatives of various official bodies.

The Permanent Congress and the WFTU participated in the Latin American trade union conference in Lima (August 1969) in support of the nationalization of *Peru* oil. Other highlights are the contacts established between the WFTU and the Confederation of Christian Trade Unions, a representative of which participated in the world conference on functional illiteracy in *Nicosia* in May 1969.

The AFL-CIO leadership is seeking to block the unitarian trend, allocating considerable sums to perpetuate the trade union split, supported in this by U.S. embassy trade union counsellors in the region and the Free Trade Unionism Institute. Their actions are contrary to the sentiment of Latin American wage-earners, and the success of the unions affiliated to the Permanent Congress and WFTU holds out the promise of fresh advances in our unitarian

policy, the fight against imperialism, for national liberation and the people's gains.

ASIA AND AFRICA: COOPERATION EXPANDING

In Asia and Africa, though in different degrees depending on the peculiarities of the movement in the two continents, unions are also gravitating towards unity and international cooperation. Not least among the signs of progress are the contacts between the All-Africa Trade Union Federation and the African Trade Union Confederation, which represents a move towards the unity of the African movement.

In Asia, where joint action has developed between the unions in India and Japan, international relations have improved distinctly among various organizations. This is attested by the entry of more unions into the WFTU and the establishment of relations between the latter and many national organizations with which no contact had existed until recently. It is deplorable, however, that the Chinese unions have disappeared from the WFTU and, as far as we know, also from the public scene in their country. It is desirable that the Chinese unions should resume normal activity both at home and in the WFTU framework.

The trade union seminar of Asian countries, held in New Delhi in April 1968, and another seminar involving the pharmaceutical industry, New Delhi, September 1969, held under the auspices of the All-India Trades Union Congress, was attended by WFTU and ICFTU organizations and by autonomous unions. Similar views on topical problems, such as wages, prices, unemployment, technical progress, social security, and trade union rights, reaffirmed the need for united action at national, regional and international level.

Despite these advances, however, it should be borne in mind in the case of the developing countries that efforts are under way to either extend or create a split in the trade union movement, traceable chiefly to the AFL-CIO. After quitting the ICFTU, the AFL-CIO leadership has stepped up its subversive activity in Africa, Asia and Latin America, expending considerable funds for this purpose. The Agency for International Development, for example, allots nearly \$1,120,000 annually, which the AFL-CIO uses for "developing and reinforcing free trade unions." What this implies, is clear. We need only turn to the trade union movement of the past 20-25 years and, in particular, the split of 1949-

1950, effected on the same pretext of "establishing and reinforcing free trade unions." Keeping in mind this past experience, the unions must double their vigilance, if they want to preserve their unity, they must persevere in uniting all unions and wage-earners.

MAIN AIM: THE WORKERS' INTEREST

Despite temporary setbacks, good progress is seen in the extension of relationships between the trade unions in the socialist countries and a large number of organizations in the main capitalist states. The unions in the socialist countries have extensive international ties and maintain relations with organizations in nearly all countries of the world. In some cases the contacts have assumed organized forms, as illustrated by the existence of the Finnish-Soviet and Japanese-Soviet trade union commissions. To a large extent, contacts of this kind facilitate the work for international unity and for terminating the "cold war" in trade union relations. Many ICFTU organizations, which still shy away from normal relations with WFTU organizations in the capitalist countries, maintain close contacts with national centers in the socialist states. This is a sign of the times, particularly since the break of relations with centers in the socialist countries twenty years ago brought about a deep split in the international trade union movement. The new contacts are important in extending the dialogue and cooperation on matters of common interest. Ultimately, these contacts will secure rapprochement with the WFTU trade union centers in the capitalist world, because curbs on contacts with WFTU organizations cannot stand for long while a dialogue is under way with trade union centers in the socialist countries.

Expanding unity of action at national level and closer international trade union ties favor the unitarian activity of the WFTU and its TUIs, the latter promoting the trend by actions of their own.

The past four years have been marked by a considerable expansion of contacts between the WFTU and the TUIs and non-affiliated organizations. TUIs have sponsored a variety of initiatives, evoking interest in trade union organizations, with many taking an active part.

The same can be said of the WFTU. Its work has been highlighted of late by the participation of various outside organizations. Regular contacts are maintained with

an increasingly large number of unaffiliated national centers. Cooperation has become closer and more concrete. Fourteen national trade union organizations have joined the WFTU since 1965.

A highly welcome factor of the recent period is WFTU cooperation on a new basis with such continental organizations as the All-Africa Federation and the Confederation of Arab Trade Unions, to say nothing of the close cooperation maintained since its founding with the Permanent Congress of Latin American Trade Union Unity. As we see it, WFTU relations with the All-Africa Federation and the Confederation of Arab Trade Unions are more than just the normal relations between anti-imperialist trade union bodies. Unity of action has been wrought since the establishment with the All-Africa Federation of a committee for contacts and coordination and with the Arab Confederation of a permanent working group. This has given rise to new elements of considerable interest for the further expansion of the joint struggle against monopoly exploitation and imperialist oppression.

Since the above applies to WFTU relations with unaffiliated bodies, it may be useful to repeat the WFTU concept, based on firm principles rather than on transient interests or claims to supremacy, a "trade union colonialism or neo-colonialism," a formula frequently peddled by adversaries of unity.

The trade union world of today is split. That, unfortunately, is a fact. We regret it, because the split has reduced the strength of the international working class. While championing unity, we regard it not as the ultimate aim, but as a means to achieving the wishes of the people.

No one can deny the differences among trade union organizations concerning aims and the ways to these aims. And we take note of them, and feel they can be overcome. We believe in a united international trade union organization embracing, on a class basis acceptable to all, the vast majority of the world's trade unions.

Obviously, national and international trade union organizations present similar demands and follow similar goals. Why, in the circumstances, keep up the obstacles if a definite common goal exists? Agreement would not require the parties to abandon their concepts with regard to other issues. For example, the WFTU, ICFTU and WCL have largely similar views on the situation in Spain, Greece and Portugal. Yet each is going it alone, which reduces the

impact of their actions. The time has come for joint action to help the people of those countries. Have they not paid a high enough price in tears and blood to demand that the trade unions join hands on that which is commonly agreed? The trade union centers could do so and yet remain faithful to their convictions on other matters.

Seeking agreement with other trade union bodies, the WFTU never departs from the principles of respect for the specific character of each organization. It would be unwise to try to impose on a partner what is totally or nearly unacceptable. We respect the autonomy and independence of each organization and, consequently, the principle of non-interference.

The WFTU observes the principle of mutual respect and equality, meaning that all talk of WFTU "hegemony" with regard to any of its partners is totally untrue. We work exclusively for maximum international labor solidarity and reiterate our wish to be loyal partners and to abide by jointly accepted commitments. Differences in conception and ideological disparities should not be an obstacle to international unity, provided the desire for unity exists and a realistic view is taken of the world situation and the general interests of the working people.

Those are the main principles followed by the WFTU in its relations with other partners. Nor is this novel. It is a fact that benefits from being repeated, for mutual relations among trade unions are expanding. And we repeat these principles anew, for they are of special significance these days.

The advances in extending unity at different levels, while a source of satisfaction, should not be overrated. The united action so far in evidence is insufficient for the working class to achieve some of its aims. The trade unions have not rallied the necessary resistance for more significant victories against monopoly capital and imperialism.

Whatever the progress, there is still no concrete rapprochement among the three international trade union centers — the WFTU, ICFTU and WCL. Undeniably positive trends have surfaced in the latter two organizations, and we welcome all efforts aimed at rapprochement. But there is still too much timidity, too many elements of opposition, too much left unsaid. Our efforts are still centered on greater unity. Unity is an imperative that must be reckoned with, whether we like it or not. The evolution in the ICFTU and WCL confirm

this. It is the consequence and partial expression of the intensive class struggle of our time. The impact of conflicting class interests is showing the people the way to unity. The community of their interests is brought home to them by capitalist exploitation and imperialist oppression, exploding the concept of class cooperation and diverting them from organizations that call for this cooperation more or less openly.

The ICFTU and WCL leaderships are faced by the choice of either trying to adapt to the present realities and retain what influence they have, or of following their old ways at the risk of still greater isolation from the masses, especially those that suffer most from exploitation, as is the case in, say, the developing countries. Those two trends have come to grips. The International Confederation of Christian Trade Unions, renamed the World Confederation of Labor, is endeavoring to adapt itself to the new situation, in which the masses reject class collaboration and seek determined action against capitalism. The withdrawal of the AFL-CIO from the ICFTU betokens the acute contradictions between the American body, which backs the spirit and letter of imperialist policy and the masses all over the world who condemn that policy. The contradiction between the old anti-communist line and the desire to overcome the survivals of the past has never been so acute. No less acute is the contradiction between the AFL-CIO drive for ICFTU hegemony and other trade union centers which, cognizant of the realities, oppose this hegemony.

Hence the need to examine the perspectives of rapprochement at all levels, including at the summit, of the three international centers.

The ICFTU and WCL are trying to tread common ground. Naturally, we have nothing against their cooperating. But the pur-

poses of their contact should be probed. If, as the Secretary General of the ICFTU said, this alliance is aimed at "resisting the pressure of totalitarian, communist and other forces," it is harmful and unrealistic. If, on the other hand, it will help the unions and wage-earners in the fight for their aspirations, it will be effective only if it reckons with the WFTU and the forces it represents. If it is aimed against the WFTU, it is doomed to failure.

Closer ties among all three international centers will favor united action at all levels, multiplying the strength of the international trade union movement and with the working class profiting. Is there any room for rapprochement? We think there is.

Comparing the programs and standpoints of the three centers, we discover many points of contact. Why not try and pinpoint them jointly? Why not take agreed action on common problems, some of which cry out for a prompt solution? In particular, could not and should not the unions act jointly

- on the situation in Spain, Greece and Portugal;
- on trade union freedoms wherever they are violated or are simply non-existent;
- on improving living and working conditions;
- on wiping out illiteracy;
- on eliminating colonialism and racism;
- in defense of peace.

The areas in which the trade union centers could pursue their common search are numerous and extensive. And the problems are important and complex enough to require cooperation. The WFTU is ready to accept cooperation. We shall work for it regardless of the difficulties, patiently and perseveringly, and convinced that it is the only way to achieve the aspirations of the people.

Chances for a new Bonn policy?

HERMANN GAUTIER

With the Social-Democratic Party (SDP) and Free Democratic Party (FDP) jointly obtaining a slight majority in the Bundestag in the September general election, the CDU/CSU bloc lost its grip on power for the first time in twenty years. More than 16 million votes were cast against it, expressive of a fairly general desire to end the monopoly of the Big Business Christian-Democratic and Christian-Social unions and the Grand Coalition.

The election crowned a vehement political campaign. Workers in the steel and mining industries struck for higher wages and won, democratic forces mounted massive resistance to the neo-Nazi NDP, while students, apprentices and teachers organized strikes and demonstrations against the reactionary educational system.

These actions showed that democratic opposition is building up to the extreme nationalist forces driving for a sharp home and foreign policy. No decisive changes have yet been achieved in the relation of political strength, but the forces able to carry forward a democratic renovation of state and society have given notice of their intentions.

This applies, among others, to the Communist Party (GCP), a consistent spokesman for working class interests founded a little over a year ago, which participated in the election campaign independently in the framework of the Action for Democratic Progress (ADP) alliance that is making a break-through in implanting democratic thinking in the public mind, stimulating the movement against neo-Nazism, for civic democratic actions and against increased fares on public transport in various parts of the Federal Republic. As a result, the election campaign was much more politically acute, tending to raise feeling in the CDU/CSU-SDP confrontation to a pitch not

originally expected by the leaders of those parties.

The September steel and mining strikes showed that state-monopoly economic regulation and manipulation of public opinion are powerless to reconcile the contradictions of modern capitalism. Coupled with the demonstrations against neo-fascism, which involved broad sections of the people, including a large part of the working class, the strikes made a strong impact on the election campaign.

True, these actions were not reflected in the number of votes cast for the ADP. But they did help the SDP-FDP coalition to winkle the CDU/CSU out of the Government. The hope that the Action for Democratic Progress would bring most sections of the democratic movement together in the election alliance and attract the working class, did not materialize. However, this was due not only to the five-per cent reservation* and the rampant anti-communism. By and large, potential ADP supporters voted for the SDP with the purpose of ousting the CDU/CSU, a resolve that ripened among many progressives, particularly in the last weeks before the election.

That the fascist NDP failed to elect a single deputy was a success for the democratic forces, attained by the joint efforts of the Social Democrats, Communists, trade unions, the ADP following, liberals, Christians and, particularly, a large section of the youth, in the teeth of high-powered CDU/CSU efforts to exonerate the NDP, to turn down charges of neo-Nazism and to protect it with details of police.

The Communist Party helped build up and stabilize the anti-fascist actions, show-

*A political party naming candidates for the Bundestag must poll not less than five per cent of the ballots to qualify for a seat.

ing that every time democracy, democratic principles and the basic democratic rights are called in question, it is always ready to champion the common democratic cause with all other anti-fascist and democratic forces. Many people in the Republic accept the Communist Party as an essential democratic factor, unifying the forces in combating the drift to the right.

* * *

However, the neo-fascist danger has not been dispelled. In the 1969 Bundestag election the NDP polled more votes than Hitler did in 1928. Moreover, the neo-Nazi danger extends far beyond the NDP. The election campaign proved that the Rightist CDU/CSU leadership is also tinged with neo-Nazi ideas, as reflected in the speeches of Strauss and Kiesinger. In the light of this it should be borne in mind that the CDU/CSU is still the strongest party in the Federal Republic; it polled more than 15 million votes, which, if the NDP vote is added, represents more than 50 per cent of the valid ballots.

Although the CDU and CSU were barred from forming a new government, they have not become reconciled to defeat. On the contrary, they are bent on pursuing their nationalist, extreme Rightist course, an offensive against all democrats favoring a far-reaching change of policy.

The working class, the Communist Party, will, therefore, be facing major tasks. The Federal Republic is at the crossroads: will it continue the old course to the Right, or will a new, truly peaceful and democratic policy replace it at last. The latter will come about only through massive class struggle against the CDU/CSU and NDP, the Big Business parties. The future of the new government of SDP and FDP ministers depends almost entirely on the success of that struggle.

The first statement issued by the Party urged the replacement of the CDU/CSU cabinet by an SDP/FDP coalition, and called on the new cabinet to abide by the will of the electorate and that expressed in the recent extra-parliamentary actions against Nazism, for democracy, and in the strikes against Big Business. For it is these forces which had made the SDP election victory possible.

This stand conforms with the policy set out in the program document adopted by the Party Congress in Essen, which declared that the people want none of the previous coalitions "that have ruled until now against the interests of the people."

The Party declared: "The working people of the Federal Republic need an entirely new government coalition, a government that will rely on forces opposed to neo-fascism and the rightward drift, which want a policy for European security and, at home, for democracy and the right of workers to participate in management. This government could consist of representatives of the trade unions, Social Democrats and bourgeois democrats, striving for a new, peace policy. This coalition would also have our support, the support of Communists."

The SDP/FDP coalition is not that kind of government yet, and we should not delude ourselves into thinking that it stands for any marked change in the political situation, for it represents neither a "change of power" nor a "shift to the Left." The change-over has altered nothing in the basic relationships of power in the state and society or in the political line of the ruling monopoly capital. As before, the powerful financial and industrial magnates are in control of the economy, while at top level the executive organs closely associated with them, the high-ranking bureaucrats and the generals, still exert the decisive influence. With an SDP/FDP cabinet they will apply various means at all sensitive points to put pressure on the government, including in matters of economic regulation, to control its every action and thereby keep it on a course serving Big Business.

To be sure, the Big Business attitude to the new government is not uniform. Some business tycoons are pinning their hopes precisely on the new government, which they expect to resolve the social contradictions with a greater degree of certainty and in a manner favorable for the state-monopoly system. Like some groups in the United States they hope that the new government will be more successful in influencing developments in the socialist countries in the interests of monopoly capital.

The government will have to make the choice between bowing to Big Business pressure or living up to the hopes and demands of the people. The SDP and FDP leaderships' attitude to trade union, political and social matters has so far given cause to doubt that they will resist the pressures of the dominant circles. Therefore, in dealing with the words and actions of the new government, we should see whether its activity is a simple projection of the old CDU/CSU policies or whether it is capable of following a genuinely new course.

Chancellor Brandt's government declaration lays new accents in social and foreign policy and as regards education. No government statement so far has referred so often and so much to the need for change and reform. Brandt's talk of a peace policy and his promises to achieve the essential mutual understanding with the neighboring East European countries, is naturally welcomed by all peace-loving forces, forces that have always wanted peace efforts and cooperation in building a European security system to be the main content of FRG foreign policy. However, in the crucial areas the government declaration falls far short of public expectations and even of previous SDP and FDP statements.

Instead of declaring his readiness to participate in a conference on European security, Brandt reverts to the old reservations. There is no trace of a clear stand on the Oder-Neisse border, on Munich and recognition of the real postwar situation in Europe. Yet it is high time, following in the footsteps of other European governments, for the new Government to affix its signature to the Nuclear Non-Proliferation Treaty and accelerate its ratification.* If the new coalition really intends to follow a policy of peace it should not confine itself in reference to the all-Europe security conference to general talk that is in no way binding. A policy cannot be truly peaceful if the attempts to obtain access to atomic weapons are not cut short once and for all, with the Federal Government publicly declaring its rejection of them. U.S. nuclear weapons, atomic mines and stocks of poison gas must be shipped out of FRG territory. All research centers and installations adaptable for the manufacture and testing of atomic, chemical and biological weapons must be placed under democratic control and that of the International Atomic Energy Agency.

Security in Europe will not be guaranteed until the two German states reach a peaceful accommodation and agree to cooperate. The government statement refers to adjusting relations between the two German states and mentions negotiations with the GDR at government level, without discrimination, which differs favorably from the old Christian-Democratic cold-war line. But adjustment of relations between the

two German states implies a rejection of the Hallstein doctrine, a rejection of the claims to sole representation for all Germany, with none of the countries recognizing the GDR being exposed to FRG sanctions of any kind. The Federal Government must conclude valid agreements with the GDR under international law, regulating relations and rejecting on a reciprocal basis the use of force by virtue of the sovereignty and equality of the two German states.

A truly peaceful policy also implies recognition, on a treaty basis, of the Oder-Neisse and all other European frontiers. It is high time for the government to declare the Munich agreement invalid from the very moment it was signed.

Those who speak of a peace policy should also refer to the Bundeswehr. Contrary to what is said in the government statement, the Bundeswehr is by no means a defensive army. It must be reorganized—this applies, among other things, to its structure, armaments and purpose—into a genuinely defensive army under democratic control and purged of all neo-Nazi and militarist influences.

In relation to Europe the peace policy referred to in the government statement will not merit confidence until the SDP/FDP government terminates its political and material support for the U.S. war in Vietnam. Any genuinely new policy must also end all cooperation with the military-fascist dictatorship in Greece and with the fascist regimes in Spain, Portugal and Africa.

Although the new Federal Chancellor referred to the crimes of the Hitler regime and Hitler's betrayal of national interests, he made no mention of the drift to the Right in the Federal Republic, of the neo-Nazi danger or of outlawing the NDP as demanded by millions of electors.

The struggle against neo-Nazism and the NDP is still one of the cardinal tasks facing all democratic forces. The NDP must be dissolved. The Social Democratic politicians who before the elections, influenced by the mass demonstrations, repeatedly declared that they favored banning the NDP, should live up to this promise and also create conditions precluding any further spread of neo-Nazism in the Republic. In the interest of democratic development the old and new bearers of Nazism must be removed from all posts of responsibility. At the same time, an end must be put to the persecution of the democratic forces.

The unlawful ban on the Communist

*On November 28, 1969, the FRG was one of the last countries to sign the Nuclear Non-Proliferation Treaty (to which 93 countries have acceded so far) with some of the old Bonn "reservations." For one thing, ratification was made conditional on the reaching of an understanding between the IAEA and Euratom on control procedure.—Ed.

Party of Germany must be lifted. Inasmuch as the leading figures in both the SDP and FDP have repeatedly declared that they consider the ban unjust, they now have the chance to set the wheels in motion with a view to annulling it.

The statement speaks at length about internal reforms, promising an extension of democracy. But that is impossible, unless, as millions of electors hope, an end is put to the increasing infringements of the Constitution and democratic rights, and unless the spirit and letter of the Constitution are respected. The forces that revived the old relationships of power and property must be combated. Citizens must have greater rights and freedoms. Yet in the Government program the right of the people and their trade unions to participate in running enterprises and the economy is reduced to a few amendments to the legislation governing the functioning of enterprises. The trade union demands for more qualified participation in the administration, instead of being placed on the order of the day, have been remitted for consideration by various commissions.

The people welcomed the new government's intention to improve the social policy and the state of education. Yet to reform the educational system, the social policy and policy in respect to property in the interest of the people, expenditure must be reduced first on armaments, with taxes increased on big property. Nothing to that effect is even faintly reflected in the new program.

Nothing is said, either, of what the government intends to do about keeping down prices, although rising prices, stimulated by the big concerns, are today the most acute social problem. The Communist Party demands effective measures to curb prices, introduce price controls (with trade unions and consumers cooperating), block higher fares for public transport and higher charges for gas, water, electricity and house rents, and calls on the people to support the trade union wages policy so that soaring prices should not nullify rising wages. Devaluation of wages and pensions brought on by the inflation can be prevented only by the wage-earners and their organizations. That is the only way to compel the government to safeguard the interests of wage-earners, pensioners and the middle strata against rising prices.

Recent events, in particular the steelworkers' and miners' strikes, showed

clearly that it is bad for the unions, and hence for the working class, to tie themselves to state-fixed tentative figures, which inhibit freedom of action in the question of wages while facilitating the growth of monopoly profits. The change of government should not incline the trade unions against actions for wage demands.

* * *

Tentative changes in foreign, home and social policy indicated in the government declaration are a sign that the SDP/FDP coalition has introduced new elements into the life of the country. At the same time, however, the tenor of the declaration shows that public expectations will carry no political weight until backed up by mass pressure on the government. That is the only way to make the ouster of the CDU/CSU pay off with a new policy. However, for this the SDP and FDP must relinquish the unrealistic, reactionary, anti-social policy pursued by the CDU in the past 20 years and treat the hopes and aspirations of the people with due consideration. Not new people in the cabinet but a new political line—that is the main thing.

If the new government, headed by Social Democrats, will in basic issues follow a policy consistent with the expectations of a large section of the population and with the existing state of affairs, it will have all the backing it needs from the people in repulsing the reactionary forces. But before this happens, the SDP leadership must realize that further developments depend decisively on their approach, their actions and readiness to work hand in hand with all opponents of the Right and of Big Business and its parties, the CDU/CSU and NDP. The working class will back the new government in a truly peaceful policy and efforts for social and general progress, despite the resistance of the reactionary forces. The Communist Party, which always champions the interest of the working class, will act in this spirit.

In assessing the new government one should measure it by its deeds. Peace, democracy and social progress can spring only from continuous and unremitting struggle against the power and influence of Big Business. The outcome is in the hands of the people. The future of the Federal Republic depends not on government coalitions, but on the strength and impact of democratic public actions.

Imperialist **AMERICA** **TODAY**



Complying with readers' wishes, **World Marxist Review** is inaugurating a new section, "In the Citadels of Capitalism." The first to be examined under this head is the United States of America, the interest in which is more than legitimate, for U.S. capitalism has reached the peak of socio-economic development and, despite its shrinking share in world production and trade in recent decades, remains the capitalist world's greatest economic power, the politico-military spine of the capitalist system and the main obstacle to the progressive reconstruction of human society.

Dialectically, U.S. imperialism is a concentrated expression not only of the power, but also of imperialism's historical doom. In the United States the contradictions of modern imperialism, revealed by V. I. Lenin more than half a century ago, are at their sharpest.

Lenin's description of the United States is more than ever substantiated by the realities of the present day: "America has taken first place . . . in level of development of the productive forces of collective human endeavor, in the utilization of machinery and of all the wonders of modern engineering. At the same time, America has become one of the foremost countries in regard to the depth of the abyss which lies between the handful of arrogant multi-millionaires who wallow in filth and luxury, and the millions of working people who constantly live on the verge of pauperism."

To carry into effect imperialism's congenital urge for world supremacy, U.S. monopoly capital has built up a colossal war machine, established a system of military blocs, pressed the century's greatest scientific discoveries into military service, inflicted a criminal war on the people of Vietnam and assumed the functions of world gendarme. Comrade Gus Hall, General Secretary of the Communist Party USA, describes U.S. imperialism as an ugly beast that has stepped up brutality and, openly resorting to genocide, is in cold blood destroying Vietnam towns and villages with the men, women and children in them.

The United States is a land of acute social contrasts, its complex and contradictory dynamics calling for close study and elucidation in theory, to which purpose the articles below are dedicated.

The monopoly offensive

VICTOR PERLO

Never before has monopoly grown so rapidly in the United States as during the present decade. This is true in all of the aspects developed by Lenin in his study of imperialism.

Concentration of production in fewer and larger corporations.

Centralization of control of these corporations in few banks and their billionaire owner-families.

Extension and consolidation of U.S.-based global industrial financial empires.

Merging and commingling of the financial oligarchy with the state apparatus and proliferation of phenomena of state-monopoly capitalism.

Militarization of the economy and dominance of reactionary political tendencies.

MERGERS

The biggest merger boom in history is bringing about a record pace of concentration of capital.* The number of larger industrial mergers increased from 54 in the five year period 1949-1953 to 646 in the last five years. The assets acquired through larger mergers jumped from \$1.4 billion in the earlier period to \$31.6 billion in the later period.

The acceleration of merger activity has been particularly marked in the past three years, when the scope of mergers exceeded that of the 20 years following World War II. Previous peaks of U.S. merger activity—at the turn of the century and during the 1920's—have been surpassed several times over. And this is on top of a sustained merger movement lasting two decades.

*Marx used the term centralization of capital when discussing accumulation through the destruction of weaker capitals and their takeover by stronger, but this distinction is not common.

TABLE 1

Manufacturing and Mining Mergers, U.S. 1949-1968

Five-Year Periods	Total Number	Large Mergers Assets	
		Number	(\$ million)
1949-1953	1,163	54	1,447
1954-1958	2,917	249	8,416
1959-1963	4,347	325	10,882
1964-1968	7,008	646	31,622
Single years			
1966	995	101	4,078
1967	1,496	169	8,246
1968	2,655	192	12,600

*Source: Federal Trade Commission

The pace of concentration is illustrated by this dramatic comparison: in 1948, the 200 largest manufacturing corporations held 48 per cent of all manufacturing assets. But in 1967 the 100 largest manufacturing corporations held 48 per cent of the assets. Half as many corporations held the same degree of dominance.

The statistics in Table 1 refer to manufacturing and mining. Similar processes have taken place in other spheres, most notably finance.

CONGLOMERATES

Historically, mergers usually combined more or less related companies. Two or more makers of autos would join. A steel company would acquire iron mines and finishing plants. These "horizontal" and "vertical" mergers have largely been replaced with "conglomerate" mergers, joining companies with little or no relationship. During the last decade the proportion of conglomerate mergers has increased, reach-

ing 90 per cent of all merged assets in 1968. Earlier, many of the conglomerate acquisitions involved a remote relationship, but recently most of them have been "pure" conglomerates, with no structural relationship whatsoever.

Industrial empire builders strike out to gobble up other corporations of any and every functional variety. Consider Litton Industries, one of the most famous and largest of the new conglomerates. Its sales increased from \$250 million in 1961 to about \$2 billion in fiscal 1969, almost all from the continuous acquisition of additional companies. In 17 months alone, from August 1966 through December 1967, Litton Industries acquired fifteen companies, including a business form manufacturer in Michigan, a typewriter manufacturer in England, an electrical equipment manufacturer in Illinois, a conveyor manufacturer in Los Angeles, a business equipment trust in Australia, a big food corporation centered in Cleveland, a tool manufacturer in Pennsylvania, a major engineering company, a book manufacturer in New York, etc.

It takes over almost any kind of business, small or large, domestic or foreign. As of mid-1967, it boasted of more than 1,900 facilities, with major installations in 25 countries and in most of the United States.

Litton holds the master contract for organizing U.S. investments in the regime of the fascist colonels of Greece, and is exploring a similar deal in Portugal. It operates so-called training institutions for American youth for the U.S. Government, ostensibly to fight poverty but mainly to recruit for the armed forces.

The base of Litton Industries, like that of most conglomerates, is munitions manufacture. That is where it started, and through many new acquisitions added to its potential armament business. Even now, despite acquisitions of many large civilian-oriented corporations, one-third of its business continues to be for the military.

Profits from munitions contracts provided the "seed-capital" from which to engage on a course of acquisition. Expectation of super-profits from armaments orders made it possible to multiply the price of Litton stock. Reckless stock-jobbing and financial promotion did the rest. Fundamentally, companies are bought up with pieces of paper capitalizing expectations of future profit—often fantastically beyond reason.

A brokerage house official described the modern methods of company acquisitions

as 1) the bootstrap; 2) the tax carryback; and 3) the Chinese dollar.

"Bootstrapping," he said, "is using resources — usually somebody else's — to create for yourself something whose immediate value is far greater than the price you paid . . . I think it's how most of the large fortunes in the financial world are made today . . ." He named Lehman Brothers, Burnham & Co., and other prominent Wall Street houses among the successful bootstrappers.

Through the tax loss carryback, the U.S. Treasury Department provides "a substantial amount of the cash needed to finance acquisition."

A "Chinese dollar" is a stock "markedly overpriced based on the standards a rational control buyer would use if he were buying a business." But the stock can be sold because of inflated stock market prices.*

Naturally there are many victims, especially among the small would-be "people's capitalists" who are induced to put their money into overpriced stocks issued to pay for the acquisition of corporations.

Also, sometimes the promoters themselves take a drubbing. Louis Wolfson, an aggressive conglomerate builder, suffered defeat, and his empire collapsed. Thereupon he was transformed from a model of capitalist virtue into a law breaker and put into prison for some of his stock frauds. And down with him went a Supreme Court Justice, Abe Fortas, who tried to save him from a fancy fee.

Actually, many old corporate giants have evolved into conglomerates through varied acquisitions over the decades. General Electric now has ten major product groups, with sales divided more or less evenly between military goods, capital goods, industrial supplies and consumer goods. Union Carbide also has ten major groups, including such disparate segments as chemical products, consumer products, electronic products, food products, metals and minerals.

Yet there is a qualitative change in the speed with which the new conglomerates are put together, the total lack of any unifying operational or product theme, the flagrant treatment of each operative unit as a pawn to be traded back and forth in the game of financial juggling.

A persistent theme of bourgeois propaganda is the supposed dispersal of the financial oligarchy, the supposed separation of financial and industrial capital. The new war-oriented conglomerates are presented

*Martin J. Whitman, vice-president Blair & Co., speech before N.Y. Society of Security Analysts, Jan. 24, 1968.

as new and independent groupings, as proof that centrifugal forces rather than monopoly concentration, dominate economic trends.

THE FINANCIAL OLIGARCHY AND THE MILITARY-INDUSTRIAL COMPLEX

In fact, the entire merger movement, including the new conglomerates, has greatly strengthened the centralization of economic power in the hands of the historically established financial groups. The military-industrial complex is, more than ever, under control of the same financial oligarchy which has dominated U.S. imperialism throughout history.

Without access to large lines of bank credit, without long-term loans from banks and insurance companies, the financial shenanigans through which corporations are gathered would be impossible. The debts of Litton Industries reached \$474 million on Jan. 31, 1969, up from \$275 million a year earlier and from a mere \$14 million in mid-1964, before the Vietnam War escalation and the period of most rapid expansion of Litton Industries.

The growth of Ling-Temco-Vought is even more spectacular. Its sales multiplied from \$48 million in 1959 to \$2,770 million in 1968. Its business is still mainly military.

Its debts reached the colossal sum of \$1,651 million at the end of 1968. Stockholders' equity amounted to \$176 million, or one ninth as much as the debt. Last year the debts multiplied fourfold, while the stockholders' equity decreased.

In short, this huge conglomerate operates on a financial shoe-string. Holding the business end of this string are the big banks which finance it—the giant Bank of America (San Francisco) and Wall Street banks.

A brash Texas tycoon is the operator out in front. But control is where the money comes from. The State Street Bank and Trust Co. of Boston holds 9.8 per cent of the common stock and Morgan Guaranty Trust of New York 5.6 per cent of the preferred stock. The Boston bank has traditionally worked within the Morgan financial sphere. Holdings of other banks and insurance companies are not available.

The same banks are major shareholders in Litton Industries: State Street Bank and Trust Co. has 9.2 per cent of the common stock, and Morgan Guaranty Trust 6.2 per cent of the preferred stock.

In the case of TRW Inc., an armament-oriented combine based in Cleveland, these same two banks and the Mellon National Bank of Pittsburgh, among them hold 16.1

per cent of the common stock, while the Fidelity Bank of Philadelphia holds 12.8 per cent and the First National City Bank of New York 6.2 per cent of different issues of preferred stock. Chase Manhattan holds 8.9 per cent of the common stock of Texas Instruments, one of the big three producers of electronic components.

Similar relationships exist between the giant banks and the older munitions combines. Chase Manhattan has 8.7 per cent of the Boeing stock, while First National City and Morgan Guaranty Trust have directors on its board. Bankers Trust has 6.2 per cent of the General Dynamics stock, while Morgan Guaranty Trust, Chemical Bank New York Trust, and Girard Trust of Philadelphia all have interlocking directors with it. And so on.

GENERAL EXPANSION OF THE MAIN FINANCIAL GROUPS

The militarization of the economy and the rapid concentration of capital has provided major leverage for the financial oligarchy to extend its grip on the entire national economy.

Important light on this was shed by the report of the House Committee on Banking and Currency, "Commercial Banks and Their Trust Activities: Emerging Influence on the American Economy." The Committee's Chairman is Rep. Wright Patman of Texas, veteran anti-monopoly crusader of the old type.

This report provided the first systematic data in 30 years on the ownership of control blocks of shares in large U.S. corporations. However, it was limited to holdings of five per cent or more by the trust departments of large banks. This omits situations where the control block consists of a holding of less than five per cent or a group of allied holdings, each less than five per cent, or a group of holdings of banks, insurance companies and individuals. Despite this shortcoming, the report makes a significant contribution.

The introduction noted that from 1900 to the mid-1950's "the assets of financial institutions increased 40 times, as compared with 18 times for non-financial corporations. Therefore, the relative position of financial institutions . . . has increased markedly during the last 60 years" (p. 17).

The big banks and other financial institutions account for 85 per cent of debt financing and, through their trust departments, a major and rapidly increasing proportion of equity financing. They also dominate the securities market. Several hundred

banks and insurance companies account for one-half of all stocks traded.

The most decisive control element is the \$253 billion of assets in 1967 of the trust department of banks, consisting mainly of the control blocks of corporation stocks. This sum is more than four times the assets estimated fifteen years earlier. Most of the increase has gone into stocks, which by 1967 amounted to \$163 billion of the total trust department holdings. This amounted to one-fifth of all outstanding stock in U.S. corporations, and more than one-fourth of the value of stock listed in the New York Stock Exchange.

Acting jointly, then, the big banks could control the affairs of corporate America. Ability to combine forces is made easier by the enormous concentration of trust department assets.

Just 10 top banks, each with over \$5 billion of trust assets, hold \$92 billion, or 36.8 per cent of the total. The 20 top banks hold \$129 billion or 51.5 per cent of the total. These 20 banks, which essentially control the U.S. economy, are shown with their trust assets in Table 2.

The first five banks listed are the core of the Wall Street establishment, owned by the Morgans and Rockefellers and associated billionaire and centi-millionaire families. These are followed by three other banks operating within the Wall Street framework—the Hanover Bank of New York and the banks of the Mellons and DuPonts (Delaware). There follow the top banks of the Chicago group, largest of the regional centers of finance capital. The second ten constitute lesser banks of the Wall Street and Chicago groups, leading banks of other regional groups in Cleveland, San Francisco and Boston, and major banks of Detroit and Philadelphia, largely satellites of the Wall Street institutions.

It is instructive to note the relative stability of the locus of control of the U.S. economy, despite all of the publicity accruing to Texas and California oil and munitions tycoons. There are no essential changes in the list of leading banks over the past fifteen years.

Fundamentally, the holdings of the trust departments are concentrated stockholdings of the super-rich families which control the big banks, and of their friends and associates. This has been reinforced over the past two decades by the rapid growth of pension funds controlled by the banks. Generally set up under union contracts, these have grown very rapidly, and amount-

TABLE 2

LEADING TRUST DEPARTMENTS OF BANKS 1967

	Trust Assets \$ billion
1. Morgan Guaranty Trust, N.Y.	16.8
2. Chase Manhattan Bank, N.Y.	13.6
3. Bankers Trust, N.Y.	11.1
4. First National City Bank, N.Y.	10.9
5. United States Trust, N.Y.	8.4
6. Mellon National Bank & Trust, Pittsburgh	7.6
7. Manufacturers Hanover Trust, N.Y.	7.3
8. Wilmington Trust, Delaware	5.6
9. First National Bank of Chicago	5.4
10. Continental Illinois Natl. Bank & Trust, Chicago	5.1
11. Chemical Bank New York Trust, N.Y.	4.6
12. Northern Trust, Chicago	4.5
13. Old Colony Trust, Boston	4.2
14. Harris Trust & Savings Bank, Chicago	3.9
15. Bank of America NTSA, San Francisco	3.7
16. Cleveland Trust	3.6
17. National Bank of Detroit	3.4
18. Bank of New York	3.3
19. Girard Trust Bank, Philadelphia	2.9
20. First Pennsylvania Banking & Trust, Phila.	2.7

Source: *Commercial Banks and Their Trust Activities*, Vol. 1, Table 4, p. 35.

ed to \$72.9 billion by 1967. Thus the funds set aside supposedly to protect the workers in their old age have become a decisive means of strengthening the grip of the financial oligarchy on the U.S. economy. While workers obtain benefits from these funds, which were won by the workers' struggles, it was the weakness of union leadership which put them under the control of the giant banks.

Interlocking ownership facilitates the collaboration of the big banks in exercising control over industrial corporations. Banks and other financial companies own directly or through trust departments 27.4 per cent of the shares of 225 large corporations. The report dramatizes the interlocking ownership of the six largest Wall Street banks. In most cases, the largest single block was held by the bank's own trust department, but impressive amounts were held by trust departments of other Wall Street banks.

INTERNATIONALIZATION OF THE U.S. FINANCIAL OLIGARCHY

The rapid expansion of U.S. foreign investments, the emergence of multinational industrial corporations based in the United States, are well known. U.S. direct private foreign investments reached \$59 billion in 1967, a fivefold increase since 1950. The actual far exceeds these official figures, surpassing \$100 billion. With a 10 per cent annual growth rate, these foreign holdings outstrip domestic growth by a wide margin. They produce over \$100 billion of goods annually, three times the value of exports from the U.S. Amongst the very largest corporations, foreign properties account for one-third of all profits.

All this is buttressed by infrastructure, roads and utilities, financed by international banks of the imperialist powers. The whole process has made U.S. imperialism an international plunderer of peoples unparalleled in history.

Until recently, U.S. foreign banking expansion lagged behind industrial investments. But in the last few years the giant banks have been especially active in remedying that lag. They have exported the financial-industrial groupings, so to speak, roughly duplicating the domestic patterns on the scale of the whole capitalist world. Total assets of U.S. banks abroad increased from \$6.9 billion in 1964 to \$15.7 billion in 1967 and are estimated at \$22 billion in 1968—an increase of nearly 50 per cent in a single year. However, the \$22 billion of foreign assets understates by far the foreign holdings of the big U.S. banks. Nine large New York banks hold 75 per cent of these foreign assets. The very same Wall Street financial centers which hold the key control blocks of major U.S. corporations overshadow even more completely the foreign activities of American big business.

The most important expansion in recent years has been through buying up control blocks in leading banks of the capitalist world. The Chase Manhattan Bank, for example, in addition to its direct foreign branches, now has control or big influence over a dozen main "associated banks," often the leading banks in a given country or continental area. Most important is the Standard Bank Ltd., of London, which, with Barclays Bank, dominates the banking system of Africa south of the Sahara. Other associated banks are in Argentina, Honduras, Peru, Colombia, Brazil, Venezuela, Belgium, Ireland, Netherlands, Austria and

Dubai (one of the oil principalities on the Arabian peninsula).

Finally wherever U.S. imperialism operates major military bases or carries on wars of intervention, Chase Manhattan runs special military banking facilities.

Altogether, directly, through associated banks and military facilities, Chase Manhattan operates well over 1,600 offices outside the United States.

Similar networks have been set up, if on a somewhat smaller scale, by First National City, Morgan Guaranty and Bank of America.

With the phenomenal expansion of recent years, American banks have gone beyond their traditional overseas function of servicing foreign operations of U.S. industrial corporations. They are now also penetrating the entire financial systems of other capitalist countries and areas. They have become the main sources of Eurodollars—U.S. dollars on deposit in foreign banks. Through the use of the Eurodollar loans, the American banks are striving to firmly establish a world dollar standard, driving gold out as a rival means of international settlement.

The object is to give U.S. imperialism complete financial control over the entire capitalist world, with power to force other capitalist countries to finance all overseas acquisitions and military activities of U.S. imperialism through the acceptance of paper dollars created by the U.S. government and private banks.

SOCIAL CONSEQUENCES OF NEW STAGE IN MONOPOLIZATION OF ECONOMY

The further monopolization of the economy strengthens the position of capital against labor. Considering the variety of enterprises within a single conglomerate corporate shell, it is exceptionally difficult to unite all of the workers, or even a substantial proportion of them for joint battle against the employer.

Two years ago the workers of nine plants of the metals division of Union Carbide engaged in a long, bitter strike. Among their principal demands was that the company bargain simultaneously with the workers of just these nine plants. Able to get along with profits from the remaining nine major groups, Union Carbide finally defeated the workers.

Accelerated concentration of capital, combined with ramified state-monopoly capitalist operations, has increased the ability of

the monopolies to plunder the population through price gouging. This has been accentuated by Vietnam War conditions. In comparison with the base period 1957-59, the consumer price index averaged 121.2 in 1968, while the wholesale price index reached only 108.7. Within the total of wholesale prices, crude materials averaged only 101.1, while finished goods reached 111.3.

Thus, the spread between costs of supplies and final prices of goods and services sold to the working people increased markedly, contributing to the surge of profits of the monopolies. Similarly, the plundering of developing countries through price scissors was accentuated. The index of export prices reached 112, while the index of import prices reached only 104.

The rising military budget has meant a rapid increase in taxation, from 13 per cent of the national income in 1929 to 37 per cent of the national income in 1967. Monopolies, more in control than ever, have shifted the burden of taxes drastically onto the backs of workers. In 1941, capitalists paid 55 per cent of all Federal taxes, workers 45 per cent. But in 1970 capitalists will pay only 32 per cent, workers 68 per cent. The amount of taxes shifted to workers in that year alone will amount to \$45 billion.

One of the most serious consequences of this stage of monopolization is the tendency towards militarization of the country's life.

Of course, there is nothing new in the tendency toward war and militarism of the financial oligarchy. But today, as never before, their profits are dependent on war industries, the plundering of foreign countries and the mutual support of these two profit sources.

The vast armaments industry supplies the muscle with which to establish investment positions. The foreign properties supply an increasing proportion of the strategic materials needed for the armaments industry and supplies for the armed forces engaged abroad. Features of militarization of the country's life include:

- A record size of the armed forces, except for brief periods during World Wars.
- A record military budget, and devotion of research and scientific talent to the military.
- A permanent peacetime draft, operated on a class basis to force the working class to fight for the monopolies.
- Militarization of the universities, and establishment of militarized sections of civil industries.

- Record interpenetration of the military and corporate setups.
- Widened use of the armed forces and police forces in massive suppression of the domestic population, with the use of military weapons and tactics. Preparation for regular internal warfare against the population.
- Large-scale, continuous paramilitary operations designed to make and break governments, suppress popular movements globally.
- Increasing number and scale of armed interventions in other countries. Development of a "three-war" military doctrine—build up to prepare for carrying out simultaneously two major wars and one "brush-fire" war.
- With all this, expansion of the arms race with the view to an ultimate thermonuclear "showdown" with the socialist world.

A sharpening of racism and national chauvinism is another social consequence of these trends. The monopolies get much of their extra profits from the ever-increasing employment of subject peoples in factories, mines and military bases at a tiny fraction of the U.S. standard of wages. Most of these peoples have darker skins than the white ruling circles of the United States. Racist attitudes are inculcated in the armed forces, among the foremen and supervisors of the imperialists to incite them to discrimination and suppression, mass murder and rape.

In the United States, as more cannon fodder is needed for the armed forces, the monopolies increasingly draft black and Spanish-speaking people for the front lines and labor brigades. They have to hire more and more of the minority peoples for work in industry, as white workers move over to the best paying jobs in war industry.

To preserve wage differentials, and to split the working class, racism against the black and Spanish-speaking peoples is encouraged within the United States.

THE RESISTANCE

As monopoly has become more brazen, its true character has become clearer to broader masses of the American people. Millions have come to see that the big business tycoons, the war makers, and the government officials are from one and the same group—an Establishment which plunders and endangers the people, drags the nation's honor in the mud with its shameful aggression and racism, destroys all of

the "traditional" values of bourgeois democracy.

People see Rockefellers in the multiple connected roles of the ruling oligarchy—as governors of two states, as presidential gauleiter for Latin America, as Chairman of the top international bank of Wall Street, as profiteers from the slave state of South Africa, as racist employers in the domestic oil industry, as consistent supporters of the Vietnam War and U.S. aggressions and militarism in general.

Millions of people are coming to a new level of anti-monopoly understanding, one which begins to comprehend the global quality of modern imperialism.

And out of this there is arising a wholly new resistance.

Over a million and one-half American students have participated in demonstrations and other struggles against the Establishment, especially against militarism and racism and corruption of the universities.

Countless millions of the black and Spanish-speaking peoples have participated in struggles for liberation and equality, and increasingly see their kinship with peoples resisting U.S. imperialism abroad.

A new militancy and activity is evident in the working class, fighting the monopolies for protection of elementary economic interests, health and safety provisions. Simultaneously, there are indications that major sections of the unions are breaking with the Meany-Lovestone agents of U.S. imperialism. The Alliance for Labor Action, including the two largest unions (auto and teamsters) and some other contingents, is moving toward opposition to the wars and militarization of the economy, to seeking alliance with students and black people, to fighting the monopolies on the most diffi-

cult fronts of domestic struggle, in the open-shop South and on the national economic issues in Washington.

For years the financial oligarchy attempted to ward off such resistance with social demagoguery, successive programs for "new," "fair," and even "great" societies, for "wars" on poverty, slums, discrimination, unemployment. But demagoguery is no longer enough. The scale of struggle today requires concrete action.

So the ruling class has turned to the mailed fist. In every area repression is the order of the day—first and foremost against the black people and the students, but increasingly against the workers also.

Nixon, the inveterate anti-Communist fanatic, the associate of the notorious late Senator Joseph McCarthy, is trying to implant a new regime of a modern inquisition in the United States.

One cannot predict the short-term outcome of this struggle, except for the certainty that it will become much more intense and profound.

But one must reckon with this fact. Internationally also, the U.S. financial oligarchy meets increasing challenges—from the socialist camp, from the national liberation movement, from the peoples of capitalist countries. Also it faces increasing contradictions with imperialist rivals, who are gaining in relative strength and are challenging Wall Street positions in more and more areas.

Certainly, in due course the anti-monopoly forces of the United States will realize an effective alliance with the global foes of U.S. imperialism. Ultimately the American people will break the power of the financial oligarchy, and change the social and political direction of the country.

Problems of inflation in the United States

HYMAN LUMER

On October 6, 1969, the U.S. Department of Labor announced that the rate of unemployment, as officially estimated, had jumped from 3.5 per cent in August to 4.0 per cent in September—an unusually steep increase. Ordinarily such a development would be greeted in government circles with expressions of alarm. But not on this occasion.

In reporting the announcement the *New York Times* (October 7, 1969) added: "The development was greeted by Administration officials as a welcome sign that their policies, aimed at ending inflation by slowing the business expansion, were working." Secretary of the Treasury David M. Kennedy declared that he found a four per cent level of unemployment "acceptable" and that the Administration's policy of restriction would continue. When asked how high unemployment would have to rise before it became unacceptable, he had no reply.

Such are the alternatives which the U.S. ruling class offers to American workers: skyrocketing prices or mounting joblessness. But in reality the choice is illusory. What actually confronts the American working class today is *both* rising prices and rising unemployment.

ESCALATION AND INFLATION

Since 1965 prices have been going up at an accelerating pace. From 1960 to 1965, consumer prices rose by an average of 1.3 per cent a year. In 1966 they rose by 3.5 per cent, in 1967 by 4 per cent, in 1968 by nearly 5 per cent, and in the first eight months of 1969 by 6 per cent. The trend in wholesale prices, though more ir-

regular, has been roughly similar.

The main source of this accelerating inflation is the escalation of the war of aggression in Vietnam and the corresponding escalation of military expenditures. From \$49.6 billion in the fiscal year 1965, direct military outlays have grown to \$81.3 billion in fiscal 1969. During this period, federal budget deficits also escalated, reaching a record level of \$25.2 billion in fiscal 1968. The national debt rose by 14 per cent and interest payments on it by 23 per cent.

Rising prices have been accompanied by rising taxes. The tax cut of 1964, which gave scant relief to working people to begin with, was soon offset by an increase in social security taxes and by the incessant rise of state and local taxes. Capping these increases is the 10 per cent surtax imposed in mid-1968 and still in force, and a new rise in social security taxes in January 1969. Taxes today consume nearly 37 per cent of workers' earnings.

The wage increases won in the past few years, often at the cost of hard struggle, have at best barely sufficed to keep abreast of the inroads made by mounting prices and taxes. As a result, real wages, which had risen throughout the post-World War II period, have ceased to grow since 1965. In that year, net spendable weekly earnings for a worker with three dependents, expressed in 1957-59 prices, were \$78.53. In 1968 they were \$78.81, and in August 1969 they were \$78.77. These are the official figures. But since the consumer price index tends to underestimate the actual increases in living costs, it is more likely that real wages have actually declined since 1965.

In contrast to this, the big capitalists have fared quite well. From 1965 through the first half of 1969, corporate profits after taxes rose nearly 12 per cent. Since 1960 they have almost doubled, whereas weekly after-tax earnings of workers have increased less than 27 per cent and real earnings less than 10 per cent.

In addition, the top officers and directors of the big corporations, who so bitterly oppose the workers' efforts to catch up with rising prices, have themselves found little difficulty in coping with inflation. The *Wall Street Journal* (June 17, 1969) cites the case of General Motors, whose officers and directors received in 1968 some \$17.7 million in salaries, fees, cash bonuses and stock credits. This represented a rise of 19 per cent over 1967, far exceeding the rise in prices.

The war in Vietnam has been no minor conflict. It is already among the longest in which the United States has been involved, and next to World War II it is the most costly. The number of American troops killed in combat surpasses the number of deaths in the Korean War and is more than 60 per cent of the total in World War I. And it has long been clear that it is a war which cannot be won, that U.S. imperialism has suffered a major defeat. It is a vivid demonstration that the cost of empire has clearly begun to exceed its returns. Monopoly capital continues to reap the returns, but the costs, both in human lives and in dollars, are increasingly saddled on the working class. Such is the context of the wave of rising prices during the past few years.

"MINIRECESSION"

When the escalation of the war began, its immediate effect was to give a powerful stimulus to the economy and to head off a threatening recession. From the fourth quarter of 1964 to the fourth quarter of 1965 the real gross national product rose 6.4 per cent. In 1966 the corresponding increase was 7.3 per cent. Industrial production, which in 1964 had grown by 6.4 per cent, rose 8.4 per cent in 1965 and 9 per cent in 1966. In the steel and automobile industries, output reached all-time record levels.

Capital investment took on a new spurt. Outlays for new plant and equipment jumped 14.6 per cent in 1964, 15.7 per cent in 1965 and 16.6 per cent in 1966. In 1965, for the first time in more than a decade, utilization of plant capacity exceeded 90

per cent. And in the same year, for the first time since the Korean War, the official estimate of unemployment averaged less than four per cent. In short, the economy took on distinct aspects of a wartime boom.

However, by 1966 symptoms of slowdown and decline once again began to appear, and in early 1967 they became much more pronounced. During the first half of the year the real gross national product showed almost no increase. From December 1966 to May 1967 the index of industrial production fell 2.5 per cent. Automobile and steel production decreased markedly. Investment in new plant and equipment leveled off. Utilization of plant capacity fell to 85 per cent. The economy experienced what various bourgeois observers have termed a "minirecession."*

The 1967 slowdown is particularly noteworthy in that it took place in a period of rapidly rising arms spending and mounting inflation. On the surface this seems paradoxical. However, as we wrote at the time:

"The present situation . . . is neither new nor paradoxical. In the words of the First National City Bank's *Monthly News Letter* (October 1966) 'we appear to be having a booming defense economy side by side with a slowing civilian economy'. A similar situation, though not nearly so pronounced, developed during the Korean War. . . .

"The roots of this phenomenon lie in the fact that the exactions of a growing war economy are met precisely by curtailing mass purchasing power through inflation and higher taxes. In an all-out war economy, the insatiable demand for war goods temporarily obliterates all else, but in a partial war economy such as the present one the production of civilian goods remains at a high level and symptoms of overproduction are not long in making their appearance. The limitations imposed by inflation express themselves also, as in the present instance, in a shortage of credit. The result is, sooner or later, a decline in various areas of civilian production." ("Vietnam and the U.S. Economy," *Political Affairs*, November 1966).

THE "CREDIT CRUNCH"

With the escalation of the war the mounting war orders, the boom in capital investment and the immediate upsurge in

*The latter part of the year witnessed a substantial rebound, although the peak levels of 1965 and 1966 were not regained. The chief factor underlying the rebound was the continuing rise in military expenditures.

demand for automobiles and other consumer durables all combined to create a skyrocketing demand for credit. Loans by commercial banks and other lending agencies grew apace. With this the money supply (cash in circulation plus checking accounts) increased at a growing rate. By April 1966 it was rising by 6.2 per cent a year, more than double what was considered to be the normal rate. And interest rates steadily increased.

At the end of 1965 the Federal Reserve, in an effort to stem the inflationary tide of credit expansion, instituted a tight money policy aimed at limiting sharply the availability of lendable funds. The discount rate (the rate of interest paid by member banks on loans from the Federal Reserve) was raised from 4 to 4½ per cent, in turn forcing up interest rates on loans made by the commercial banks, and steps were taken to reduce the reserves available to them as a basis for loans. As a result the rate of increase of the money supply progressively fell off and by April 1966 a slight decline set in.

But as lendable funds became increasingly scarce, interest rates rose with increasing rapidity and by midyear the scramble for credit became a desperate one. By the end of the year the interest rate on prime commercial loans had reached 6 per cent, a level previously equalled only in 1929. Rates on corporate bonds shot upwards, as did those on home mortgages.

There developed what came to be called a "credit crunch," that is, a state of near-panic in the money markets. Of this, H. Erich Heineman wrote in the *New York Times* (January 9, 1967): "By the end of August, it is now generally agreed, the credit markets were close to panic, which was averted only after President Johnson suspended tax incentives for business investment and had promised a cut in non-defense spending." These developments, together with the hope of an increase in federal income taxes, led to an easing of credit restrictions.

Among the more prominent features of the "credit crunch" was a draining of funds from time and savings deposits in banks, on which interest rates are limited by Federal Reserve regulations, into more lucrative channels. This resulted in a drastic shortage of available funds for home mortgages, leading to a severe slump in housing construction. Private nonfarm housing starts fell from an annual rate of 1,746,000 in December 1965 to 910,000 in December

1966. It was only toward the end of 1967 that the levels of 1965 began again to be approached.

RECESSION AS A POLICY

The war-stimulated inflation has also added greatly to U.S. problems in the international monetary sphere. It has made U.S. exports less competitive on world markets, while the war-induced boom has increased the need for imports. From \$5.3 billion in 1965, the U.S. merchandise trade surplus has declined to an annual rate of less than \$500 million during the first seven months of 1969. In addition, of the more than \$30 billion a year spent on the Vietnam War, some \$2 billion annually are being spent abroad. These developments have aggravated the chronic balance of payments deficit and the gold drain, and have contributed greatly to the weakening of the dollar's status as a world currency.

The devaluation of the British pound in the fall of 1967 precipitated a severe crisis of the dollar, lasting into the early months of 1968. The crisis has been stemmed; however, the central bankers of other leading capitalist countries, holding large sums in dollars, have demanded as a condition for continuing to hold on to these dollars the elimination of the U.S. balance of payments deficit. And this, in their view, means first of all the reduction of inflation.

It is mainly these pressures which have stimulated the great concern about "fighting inflation" which has arisen in U.S. ruling circles. The Johnson Administration promptly responded to them by launching a program entailing (a) reduction of federal expenditures for civilian purposes and the achievement of a budget surplus and (b) reduction of private consumption. The primary instrument for attaining these aims was to be the imposition of the 10 per cent federal surtax. By such means the "overheated" economy was to be slowed down, production lessened and unemployment somewhat increased. Thus, it was maintained, the inflationary pressures would be greatly eased.

The government's policy now became one of deliberately holding back economic growth — of promoting elements of recession. Under this policy every upturn has been viewed not as a blessing but as a curse, as is illustrated by the following headline in the *New York Times* of March 21, 1969: "Orders for Durables Rose to a Record in February. New Setback Dis-

cerned in Attempt to Retard Economic Activity." And as we have noted, every slowdown in production and every rise in unemployment have been greeted in capitalist and government circles with joy.

This is a policy based on the fallacious concept of the "inflationary spiral," according to which inflation arises from too much purchasing power in the hands of the working class and the cure is to cut down its living standards. The surtax, like all across-the-board tax measures, places an undue burden on the working people, who were already paying a disproportionately high share of the taxes. The increased social security tax bears most heavily on those in the lower income brackets, as do the mounting state and local taxes. At the time the big corporations continue to enjoy the benefits of accelerated depreciation allowances, the seven per cent tax reduction on profits used for investment, ever wider loopholes through which to escape taxes, and the ability to avoid paying taxes on much of the growing volume of profits on foreign investments.

It is a policy which deliberately evades the fact that the balance of payments deficits, the rising national debt and the mounting inflation is the cost of maintaining U.S. imperialism's world empire, a cost which has already been thrust, more and more, upon the working people. And now that it is time to pay the bill for the Vietnam war, their burden will be still bigger.

NEW CREDIT RESTRICTIONS

Official quarters expected the surtax to slow down business. But the results fell far short of the expected. True, the economic growth rate declined in 1968, with the gross national product increasing a mere 3.9 per cent in the fourth quarter against 7.2 per cent in the second quarter. Growth of industrial production in the latter half of the year also declined. But this was due almost entirely to the lesser growth of government expenditure. Private expenditure increased, especially investments in machinery and equipment, whose expansion continued at a forced pace although use of production capacity dropped to 83.4 per cent in the last three months. Furthermore the number of housing starts grew visibly, as did retail trade.

With purchasing capacity shrinking due to increased taxation, the greater private demand was sustained by decline in savings

and by greater borrowing. The savings rate dropped from 7.3 per cent of the net income in the first six months of 1968 to 6.6 per cent in the last six months, while consumer credits increased twice as fast in the latter half of the year. Obviously, expanded consumption could not go on indefinitely. Yet the fact remains that at the end of the year, far from decreasing, production in the key industries continued to rise despite government efforts to the contrary.

This was when the Federal Reserve stepped in. With the repeal of the monetary restrictions of 1967, interest rates dropped against the 1966 figure. But when the "minirecession" subsided, they went up again. By December 1968 they had reached a new high due to the precipitously increased credit demand. A tight credit policy was re-introduced. The discount rate, reduced in August from 5.5 to 5.25 per cent, was raised to 5.5 per cent, and once more in April 1969 to 6 per cent. Furthermore, the obligatory reserve support of deposits in Federal Reserve banks was raised 0.5 per cent, which was a more determined measure to reduce lendable funds.

This and similar steps pushed up the interest rate. By June 1969 the interest rate on prime commercial loans climbed to 8.5 per cent. The treasury was compelled to offer new bond issues at 8 per cent annual interest. Interest on papers of leading corporations hit 8.5 per cent, that on mortgages 9-10 per cent, while on consumer credits it soared to 15-20 per cent.

Those were unheard of figures, surpassing interest charged in the past. Meanwhile, the increase in money supply was sharply reduced. In sum, this created a situation marked by a new "credit crunch." If a state close to panic was avoided, then only because commercial banks were able by maneuvers and dodges to find additional lendable funds, though at a high interest.

THREAT OF RECESSION

What were the results of this coordinated taxation and credit policy aimed at reducing economic growth? Though slowly, its impact increased.

The effects were least felt in investment. Corporation demand for loans continued to rise steeply at the beginning of 1969 despite the higher rate of interest. And it remained high in the succeeding period due to the new boom in spending for new plant and equipment. Despite the fact that utiliz-

ation of capacity had fallen to 83 per cent, such outlays continued to rise at a growing pace, and according to a government survey in February they were expected to rise nearly 14 per cent in 1969. Motivating this expansion were a variety of factors ranging from the continuing rapid advance of technology to the pressure created by inflation to buy now before prices go up.

More recently, however, the pace has slowed down somewhat and the estimated rise has been scaled down to 10.5 per cent. But this is still a high rate; moreover, estimates for 1970 predict a further increase ranging from 5 to 9 per cent.

At the same time the rate of economic growth has greatly slowed down, the rise in the real gross national product falling to 1.6 per cent in the third quarter of 1969. And in August and September, for the first time in a year, industrial production showed a decline. These developments, coupled with falling utilization of plant capacity and the likelihood of repeal of the 7 per cent tax credit on investment, may well serve to reduce spending on new plant and equipment considerably below the presently anticipated levels.

Housing construction increased at the beginning of 1969 but since then it has fallen steeply under the pressure of record interest rates and scarcity of funds, despite an increasingly acute shortage of housing. From January to August, private non-farm housing starts fell by about 29 per cent. In addition, new industrial construction dropped by some 12 per cent.

Consumer buying has lagged throughout, reflecting the squeeze on the purchasing power of the masses of working people. Since mid-1968 retail sales have risen only slightly and their real volume has declined. Automobile sales have lagged behind 1968 and in the first seven months of 1969 production was 9 per cent below the corresponding period in 1968. For the latter part of the year, production schedules called for a cut of 8 per cent from last year's volume.

Particularly noteworthy is the rise in the rate of unemployment. This had been slowly inching upward, going from 3.3 per cent in January to 3.5 per cent in August. The jump to 4 per cent in September was indicative of a qualitative change in the picture. Among other things it reflected a growing departure, under the pressure of the mounting economic slowdown, from the previously widespread practice of hoarding labor. The indications are that unemployment will continue to rise substantially in the

coming months, and there are numerous predictions that it may reach 5 per cent by next spring.

This will strike with special severity at the black workers, among whom joblessness has already been rising disproportionately. Thus, a Labor Department survey of poverty neighborhoods in 100 cities showed an overall unemployment rate of 5.7 per cent in the second quarter of 1969, the same as in 1968. However, during the year the rate for black workers increased from 7.3 to 8 per cent, while that for whites fell from 4.6 to 4 per cent. Similarly, the monthly unemployment reports showed that among white teenage youth the rate dropped from 10.1 per cent in June 1968 to 9.5 per cent in June 1969, while for black teenagers it rose from 22 to 28.6 per cent—well over one in four.

The slowdown has also found expression in a substantial stock market decline. From mid-May to early October stock prices, as measured by the Dow-Jones industrial average, fell by some 17 per cent. At the time of the massive peace actions in mid-October a rebound occurred, sparked chiefly by increased hopes for peace in Vietnam. This has so far been insufficient, however, to offset the overall downtrend to any marked degree.

Finally, the perennial problem of balance of payments deficits is once more very much in the picture. In 1968 the balance of payments showed a surplus of \$220 million, the first in many years. But this was due to special circumstances, particularly to an extraordinary inflow of capital in the fourth quarter. The first and second quarters of 1969 witnessed seasonally adjusted deficits of \$1.8 billion and \$3.8 billion respectively. These are the highest quarterly figures on record. According to the Commerce Department, they are inflated by large circular flows of Eurodollars, to which U.S. banks have increasingly turned as a source of lendable funds.

Though the world monetary situation has eased since the acute dollar crisis two years ago, it has continued to be shaky, as the recent devaluation of the French franc and the more recent revaluating of the West German mark serve to remind us. A resurgence of the dollar crisis, greatly aggravating domestic economic problems, is by no means out of the question.

In sum, conditions resembling those of 1966 have re-emerged—conditions of slowing civilian production side by side with booming military production. There are, however, important differences.

For one thing, inflation is more aggravated and interest rates considerably higher than in 1966. Second, there is today no \$10-13 billion a year rise in military expenditures to provide a way out. On the contrary, military spending has levelled off and has, at least for the moment, even declined somewhat. Third, in contrast to 1966 the erosion of mass purchasing power stemming directly from the war policies is now augmented by a policy of deliberate economic restriction.

Today's situation, therefore, contains the makings not merely of another "mini-recession" but of a full-blown recession in 1970. To be sure, the precise course of events will depend on a number of as yet undetermined factors, prominent among them the trend which capital investment will take. Nevertheless, such a recession must be regarded as a serious possibility.

The likelihood of a recession is enhanced by the fact that the U.S. government is not alone in attempting to restrain economic growth. *Fortune* (August 15, 1969) wrote: "In fact, if there can be said to be a world economic policy, that policy now is to hold back growth. The U.S., Britain and France are restraining their economies to stem inflation and improve their balance of payments, and caution is the order of the day in several other countries as well." These efforts, the article goes on to say, "are bound to show results before long. They will be maintained as long as inflation remains the major preoccupation of practically all the advanced countries." The ultimate effect could well be a simultaneous downturn in a number of capitalist countries.

AN END TO INFLATION

It is especially significant that the anti-inflation crusade has so far been almost totally unsuccessful in achieving its declared aim: to reduce inflation without precipitating a recession. The outlook projected by the Nixon Administration at the beginning of the year was one of reducing the rate of economic growth to 3-3.5 per cent by the latter part of the year, with a rise in unemployment to 4 per cent or more and a decline in the rate of prices increases to 3 or 3.5 per cent by the year's end. This, it should be noted, is a far cry from a return even to the 1.3 per cent rate which prevailed prior to the escalation. Yet, although the rate of economic growth has dropped to less than 2 per cent a year,

consumer prices have continued to go up at an annual rate of 5-6 per cent. Moreover, there is widespread doubt that the rate will be much lower in 1970.

The policy of "trading off unemployment for stable prices" has not worked so far, nor is it likely to work. On this point the economist V. Lewis Bassie writes:

"The trouble is that the restrictions now being imposed can have definite effects on production and employment. But their effects on prices are more remote. Applying them when the most rapid price increases are not caused by a growth in overall demand fails to get at the real problem. Furthermore, neither credit restrictions nor taxes need be important threats to those with the greatest power to set prices; in fact, raising prices may be the best way for them to eliminate the need for credit and to sustain profits after taxes. It seems clear, therefore, that the price rise will not automatically end with an increase in unemployment." (*Illinois Business Review*, June 1969). Bassie concludes: "Instead of price stability and a little more unemployment in fiscal 1970, we may wind up the year with almost as much inflation and a lot more unemployment."

First of all, the government policy completely ignores the inflationary impact of the war in Vietnam. There can be no major decline in inflation without ending the war and sharply reducing military budgets. And the first does not necessarily lead to the second. While spending for the people's needs will continue to be cut in the name of "fighting inflation," military spending is to be maintained at present or higher levels even if the Vietnam war ends. Congressman Jonathan B. Bingham writes:

"For a while it was hoped that, if only the Vietnam war could be ended, enough resources could be made available to ease the strain. But Charles Schultze, former Budget Director, and others have exploded that myth. Proceeding on the assumption that an end to the Vietnam war might produce savings of about \$20 billion annually after two years, these experts point out that within two or three years after that these savings would be more than wiped out by normal increases in the defense budget, including pay increases and spending on weapons systems already approved" ("Can Military Spending Be Controlled?", *Foreign Affairs*, October 1969.)

"The peace dividend" promised by President Nixon last January if the war should end has turned out to be illusory. "Dreams

of unlimited billions of dollars being released once the war in Vietnam ends," he told a National Governors' Conference in September, "are just that—dreams." The money now spent on the Vietnam war, it has been made clear, is already earmarked for other military purposes.

Even in conditions of peace, therefore, the fight against inflation will demand an all-out struggle to cut military spending.

Secondly, there is no assurance that prices will not continue to rise substantially even in the event of a recession. Since World War II, prices have increased in virtually every year, in good times and in bad. The only exception was the 11-month recession of 1948-49, when consumer prices declined by somewhat less than 2 per cent. On the other hand, in the recession of 1957-58, when industrial production fell by 15 per cent, prices climbed by more than 3 per cent a year, a higher rate than that in the preceding boom period of 1954-57.

In fact, since World War II inflation has become a built-in tendency in the economy. It grows basically out of the abandonment of the gold standard and the complete divorcement of the currency from gold in domestic transactions. The removal of the restraining influence of the gold standard has led to the coupling of successive monopoly price increases with continuing expansion of the money supply, resulting in a progressive depreciation of the currency. This in turn is augmented by the inflationary effects of rising military expenditures.

Such an inflationary tendency holds important advantages for the monopolists, who are not at all averse to inflation. It is the prices of their products which rise first. Wage increases follow only some time later, and then only to the degree that workers are successful in their struggles to win them. Inflation serves as a means of nullifying rising wages "painlessly" — that is, without provoking the stormy resistance with which attempts at direct wage cuts would be met. The difficulties arise only when inflation gets out of bounds and leads, among other things, to reduced exports, rising balance of payments deficits and the weakening of the dollar as a world currency.

Correspondingly, the policy of the Nixon Administration is not one of abolishing inflation but only one of reducing it. As Edwin L. Dale Jr., puts it (*New York Times*, June 1, 1969), it is a policy of "disinflation without deflation". Says Dale: "Hardly anyone even dreams any more about actual

'deflation', in the sense of a declining price level. That is as out of date and out of mind as the horse and buggy."

The tight money policy, which today is increasingly held forth as an instrument for combatting inflation, is in reality of little effect in this regard. It does not seriously restrict borrowing by the big corporations. Aside from the fact that these have varied sources of funds and are less dependent on borrowing from banks, they also have close ties with the biggest banks. Hence when they do borrow they have the readiest access to loans at the lowest rates of interest available.

On the other hand, for the small business man, the small farmer, the home buyer and the consumer, the tight money policy makes credit more difficult to obtain and much more costly. Indeed, in the guise of fighting inflation, rising interest rates contribute to mounting consumer prices. They do so both directly, in the form of higher interest charges on consumer credit, and indirectly, through the passing on of higher interest costs from the manufacturer to the consumer. Tax increases are similarly passed on to the consumer. Thus the combined policies of tight money and increased taxes contribute in no small measure to rising prices for the masses of working people.

At the other end, these rising consumer prices serve to sustain and even increase the profit margins of the big industrial corporations and utilities. The biggest beneficiaries of soaring interest rates are, of course, the big banks. From 1965 to 1968 their after-tax profits increased by 33 per cent.

THE SHARPENING CLASS STRUGGLE

It is already clear that the squeeze on the purchasing power and living standards will go on and will even be stepped up. Taxes will continue to mount. The Nixon Administration has called for continuation of the surtax in 1970 at a five per cent rate. State and local taxes continue to rise without interruption. The so-called tax reform measure now in Congress, far from closing the innumerable loopholes through which the rich escape taxes, serves in its net effect rather to provide tax relief for the well-to-do.

At the same time it has been made plain that the restrictive monetary policy is to continue without letup. Along with this the Nixon Administration, to the accompani-

ment of massive demagoguery, is increasingly cutting non-military expenditures, which means further emasculation of social welfare and public service programs. Sharp cuts have been made in government construction programs.

In this situation, and in the face of persistently rising prices, workers are being driven to more and more militant and hard-fought struggles for higher wages and against the growing deterioration of their working conditions. There is also mounting resistance to increasing rent gouging and to reduction of social services, as well as sharpening opposition to the unceasing rise in taxes. There is a rising tide of struggle by the black workers against the racist discrimination which excludes them from jobs in the construction industries and other fields. Mexican-American and Puerto Rican workers are increasingly rebelling against the poverty and misery which the ruling class imposes on them. And not least, there is a rapidly spreading opposition to the all-devouring war of aggression against the Vietnamese people, which has now been

publicly joined by a significant section of the trade union movement.

To these and other struggles the Nixon Administration is responding with increasing threats of suppression in the name of "law and order." And as the struggle for higher wages and against rising prices and taxes grows in intensity, the Administration can be expected to meet it with growing pressures for new anti-labor legislation.

Inflation, astronomical interest rates, the dollar problem, artificially induced unemployment — these and other woes are symptomatic of the growing instability of the U.S. capitalist economy. As this instability continues to grow, monopoly capital will strive more and more to thrust its burden on the workers. And more and more will their resistance to these efforts increase. More and more will the class struggle sharpen. More and more urgently will the Communist Party be confronted with the task of raising the class consciousness of the workers and advancing the level of the struggle.

Scientific-technological revolution — no boon to U.S. working class

JAMES WEST

Vast vistas of abundance and well-being could be opened for mankind by the scientific-technological revolution. But for the American working class and people generally it has brought an intensification of exploitation and oppression and increased uncertainty as to what the morrow holds.

Subordination of the achievements of science and technology to the pursuit of profit has given the U.S. monopolists a number of transitory advantages; but their basic economic, social and political consequences have served to sharpen the fundamental contradictions of capitalism, brought forward new contradictions and thereby have accelerated the development

of the revolutionary process in the very citadel of world imperialism.

Immense sums are required to realize the potential of the technological revolution. Only the wealthiest, strongest corporations can take full advantage of its accomplishments. Even this is not enough; it requires tremendous expenditures by the state itself. Without state-monopoly capitalism, the technological revolution could not have attained its present scope in the United States. This becomes evident from the growth of the share of government spending in the gross national product (GNP) and the place held by government spending for research and development since the end of the Second World War.

In 1929, the last year of peace-prosperity experienced by U.S. capitalism, all government spending accounted for 8% of the GNP. On the eve of U.S. entry into World War II this had doubled. In 1942, it rose to 4½ times the 1929 figure. At no time after the war did the rate and level of government spending return to the peace-prosperity year of 1929. In 1967, it was

2½ times the 1929 rate, or 20.7% of the GNP.*

A prime reason for this is the huge increase in government spending for military and cold-war purposes. Where in 1939 military spending accounted for 9.7% of all government spending, it exceeded 80% in World War II, dropped to 27.2% in 1950 and by 1967 stood at 41.1%.

TABLE 1

Gross National Product and Government Spending
(billions in current dollars)

Year	Gross National Product	Total Gov't. Spending	Gov't. Spending % of GNP	Military Spending as % of Gov't. Spending
1929	\$104.4	\$ 8.5	8	NA
1939	91.1	13.3	13.8	9.7
1940	100.6	14.1	14	15.6
1941	125.8	24.8	19.7	55.6
1942	159.1	59.7	37.5	83
1950	355.3	52.8	14.3	27.2
1955	438	85.2	19.4	52
1960	487.8	94.9	19.4	45
1965	616.7	114.3	16.8	36.7
1967 (prelim.)	669.3	138.7	20.7	41.1

NA—Not available.

Government spending for research and development (R&D) surpassed private industry R&D spending as a result of World War II; and quickly multiplied after Sputnik. Where private industry expenditures increased 11½ times between 1941 and 1964, government spending in the same period rocketed 38 times. Where the government spent \$3.70 for every \$5.10 spent by industry in R&D in 1941, by 1964 it spent \$124.35 for every \$58.40 spent by industry.

TABLE 2

Sources of Funds for Research and Development

(millions of dollars)

Year	Government	Industry
1941	\$ 370	\$ 510
1945	1,070	430
1950	1,610	1,180
1955	3,500	2,510
1960	8,770	4,540
1964	12,435	5,840

Thus, the state was the decisive element

in financing the scientific and technological revolution of which private industry, and the biggest monopolists, first of all, were the chief beneficiaries.

While it is the government which spends these great sums, it is the working class which pays the bills. In 1941, the working class paid 45% of the federal tax load. In fiscal 1970 (July 1969 to June 1970) the working class is paying 68% of this tax load. Thirty four per cent of wages and salaries will go to pay taxes of all kinds in fiscal 1970.

With money taken mainly from the working class, the new technology, financed mostly from government supported R&D has accelerated the drive to maximize profits. Between 1939 and 1949, the average annual increase in corporate profits before taxes was \$2,190 million. In the next decade it came to \$2,320 million. Between 1959 and 1965, the average annual increase had shot up to \$3,389.1 million—a more than 73% increase over the 1939-49 rate.

*All figures cited in this article, including the tables, are from data of the U.S. Dept. of Labor and the Dept. of Commerce, unless otherwise stated.

TABLE 3

Total Corporate Profits Before Taxes
(in billions)

1929	\$ 9.9	1959	\$52.1
1939	7	1961	50.3
1944	24.1	1963	58.6
1949	28.9	1965	75.7
1954	38.3		

The lion's share of these profits go to a few monopolists which have further strengthened their stranglehold on the economy.

In the motor vehicle and parts industry (with 1,655 companies), the four largest corporations accounted for 56% of the value of shipments in 1947, and 79% in 1963. In basic steel (161 companies), the big four held 50% in both years.

In aircraft (82 companies), the top four held 50%; in tires and inner-tubes (105 companies) the big four garnered 70%; while in petroleum (266 companies), the four largest monopolies held over one-third of the value of shipments in 1963.

The high cost of using the new technology has given new impetus to the merging of corporations into immense concentrations of capital. In the first six months of 1969, no less than 2,815 corporation mergers took place, an increase of 65% over the same period of 1968. The formation of conglomerates and of multi-national corporations has brought with them the export of jobs. Litton Industries, first of the conglomerates, for example, bought out Royal Typewriter Co., shut down its two New England plants, throwing 3,500 workers out of jobs, and announced construction of a plant in Japan which will produce 600,000 Royal Typewriters a year, from which all such typewriters for the United States will be imported.

In a little over 10 years, the International Harvester Company has closed down eight plants in the U.S. Recently it served notice it would close its Tractor Works in Chicago, one of its oldest plants (where the fight for the 8-hour day began, out of which May Day was born). More than 10,000 jobs were wiped out. This company, too, has announced opening a new plant in Japan.

The *Wall Street Journal* reported (7/10/69): "Today United States subsidiaries abroad ship home tires from Peru, autos from West Germany, radios from Formosa and shoes from Austria."

The much-vaunted "free enterprise" sys-

tem, which spends fabulous sums to foster the myth that anyone can become a businessman if they but try hard enough, is gathering more and more of the reins of enterprise into fewer hands, ruining tens of thousands of businesses. The technological revolution, whose innovations are beyond the reach of small and medium business, is hastening this process.

In the first half of the Sixties, the annual average rate of business failures was 57 per 10,000 concerns, approaching the rate of the latter half of the depression Thirties, when it was 58 per 10,000 concerns.

TABLE 4

Average Annual Rate of Business Failures
(per 10,000 concerns)

Period	Number	Period	2Number
1936-40	58	1951-55	35
1941-45	25	1956-60	53
1946-50	21	1961-65	57

An indication of how the technological revolution, operating in conditions of a U.S. state-monopoly-capitalism as the dominant imperialist power, has resulted in a tremendous intensification of the exploitation of labor is gained in comparing the rate of growth of the value added by manufacture in the post-World War II period with the rate of growth in the 90 years preceding the war.

TABLE 5

Value Added by Manufacture—1849-1966—
Selected Years (000 omitted)

1849	\$ 463,983	1939	\$24,487,304
1869	1,395,119	1947	74,290,475
1889	4,102,301	1949	75,367,000
1899	4,646,981	1954	117,032,006
1909	8,160,075	1958	141,500,000
1919	23,841,624	1959	161,315,000
1929	30,591,435	1966	251,010,000

The astronomical profits and the sharp rise in the value added by manufacture have been gained by a comparatively small rise in the total number of production workers, an even smaller rise in the hours of work, and a 26.8% rise in wages which has been nullified in large part by inflation.

The steel industry is an example of how technological innovation results in more production and higher productivity with less workers. Due to the introduction of the Basic Oxygen Furnace (BOF), wider use

of electric furnaces and other technological changes, the number of production workers has been reduced by 31% while production per employee has risen by 24.8% between 1953 and 1969.

A characteristic feature of the use of automation and technological change is its introduction mainly into the first stages of the production process in big plants. Thus, in basic steel, the capacity to produce as much raw steel in one hour as formerly took six to eight hours to produce, is used to speed-up the tempo of human labor all

down the line throughout the rest of the plant which, on the whole, remains un-automated.

The value added by manufacture per dollar of wages, taken together with output per production worker and the unit labor cost per worker provide a good measure of the intensification of exploitation. While the unit labor cost in all manufacturing increased between 1958 and 1966 by a mere 0.39%, the value added per dollar of wages rose by 12.3% and the output per man-hour rose by some 33%.

TABLE 6

**Indexes of Output per Man-Hour, Unit Labor Costs and
Value Added per Dollar of Wages (1957-1959=100)**

Year	Output per Man-Hour (all employees manufacturing)	Unit Labor Cost (all manufacturing)	Value added per Dollar of Wages (all manufacturing)
1958	99.1	101.9	\$2,854
1960	103.8	102.9	2,944
1962	112.6	102	3,030
1964	119.7	101	3,132
1966	131.7	102.3	3,206

Out of this intensified exploitation, net profits of corporations rose 94% in the last nine years, according to I.W. Abel, president of the United Steelworkers Union, while average weekly wages rose 33%, most of which has been cancelled out by inflation and rising taxation, leaving the average worker with a 10% net gain in purchasing power over the last nine years. However, in the last two years real wages have actually fallen due to increased inflation. In June 1969, the dollar was worth about two-thirds less than the 1939 dollar in purchasing power.

The technological revolution, one would think, should make work easier and provide more leisure time. But to make ends meet, more and more workers are forced to work overtime; and 5% of all wage and salary workers in industry held two or more jobs in 1966. For such workers, leisure time and longevity in life are utopias beyond reach under capitalism. To the contrary, they have less time for rest, to spend with the family, and years are taken off their lives not only by lengthened hours but by the killing speed-up as well.

It long ago became impossible for a working class family to live on the wages of one breadwinner. The growing squeeze on worker's income has compelled millions of women and youth to seek work.

Women today make up over 36% of the

work force; they comprise 28% of all workers in manufacture; 38.5% in wholesale and retail trade; 50% in finance, insurance and real estate; 52.2% in service industries; and 41.4% in government. Their wages run as much as one-third behind those of men workers.

Youth are increasingly compelled to seek work to help out the family or to make it on their own. Today, youth between the ages of 14 and 24 make up about 18% of the labor force. In the auto industry, over 40% are youth up to 30 years of age and the figure is comparable in steel. However, unemployment rates among youth are higher than for the population as a whole, with the rate among Negro youth from three to four times higher. In large measure this is due to the failure of the educational system to adjust to the requirements of the technological revolution, rendering it ineffective in preparing youth to cope with technological change; and to the racist system of oppression in the case of black and other minority youth.

The cost to the worker of the revolution in technology in the heartland of world imperialism is more intensification of labor and exploitation, less pay, less time with his family, and more members of the family compelled to seek work.

The cost can also be counted in workers' health, in mental and physical health, in

nervous disorders, in the rise of alcoholism. Between 1958 and 1965, the disabling in-

jury rate in U.S. industry rose 12.2% in manufacturing as a whole.

TABLE 7

Disabling Work Injury Rates (Average Number per Million-Employee-Hours Worked)

	1958	1965	Per cent Change
All Manufacturing	11.4	12.8	12.2
Meat Packing	22.2	35.4	59
Petroleum Refining	6.7	8.6	29.8
Iron, Steel Foundries	20.9	26.8	28.2
Fabricated Metal	14.55	18.1	24.4
Transportation Equipment	6	6.6	10

Heart disease death rates rose from 510.8 per 100,000 in 1950 to 521.4 in 1966. Mental patients increased from 715,000 in 1950 to 1,248,000 in 1966. The 1966 figure is 121% above that for 1935, a year in the depths of the economic crisis.

At the same time, the cost of hospital daily service charges in 1967 was 8 times higher than in 1940; while all medical care costs taken together rose 2.7 times in the same period.

The deterioration in workers' health and working conditions takes place in a deterioration of the physical surroundings and living conditions. Decay and blight spread unabated in working class neighborhoods, slums and ghettos; the physical plant of the public schools undergoes continuing rot; while pollution of air and water by industry and the internal combustion engine casts a poisonous pall of growing danger to human life over all industrial centers.

The technological revolution is unaccompanied by any revolution in education, either in contents or methods. The result is an army of eight million American workers with the reading, writing and counting ability of a 4th grade pupil, or less, according to a commercial advertisement of the Olin Company. Thus, 10% of the labor force is functionally illiterate. This is an integral feature of the student revolt against an educational system which is irrelevant to today's world.

The scientific and technological revolution has accelerated a number of shifts in the structure of the labor force and in the relative position of economic regions in the United States, each with important economic, social and political consequences.

New impetus was given the historic transformation of black Americans from an agrarian to a proletarian people by the technological revolution. Begun before the

Second World War, and hastened by the war itself, this process has turned the overwhelming majority of Negro Americans into working people residing mainly in the great industrial centers of the South and North. Chicago today has a population which is over 30% Negro. The steel city of Gary is over 50% Negro. This has become typical of the industrial centers.

All of the problems of work, living, health and education delineated above fall with particular force on the black people crowded into confining, stifling ghettos. To these are added the crushing burdens of racist discrimination in employment, upgrading to skilled, higher-paying jobs in industry, the professions and in all walks of life. In 1968, the average Negro family's income was 39% below that of the average white family.

The burdens of poverty and deprivation fall heaviest on Negro Americans in general, as well as on the Spanish-speaking minorities; and on Negroes in the south especially.

TABLE 8

Percent of Families Classified as Poor, by Color—1966

	Total	White	Non-White
United States	17.8%	15.3%	38.6%
South	24.7	19.4	50.8
Rest of U.S.A.	14.9	13.8	27.6

The tremendous contrast between what the technological revolution could mean, if it were used in the interests of the people, and the reality that exists, is a major reason and stimulus for the militancy and high level of the unprecedented black liberation struggle in the United States. This is dramatically seen in the current demand of black workers for entry in meaningful numbers into the construction industry.

Technological change in that industry, including pre-fabrication, new materials, etc., has rendered obsolete many old skills. Yet the building trades unions continue as craft unions limited to a comparatively favored few, and the contractors, with active support of many craft union bureaucrats, continue racist policies of excluding black workers from the industry. The outmoded practices and racist craft concepts come into violent collision with the advance in technology.

The revolution in technology has brought a big increase in the number of technicians, scientists and engineers in industry. Between 1961 and 1966, all employment in private industry grew by 15%; in the same time, employment of scientists, engineers and technicians was at a rate 40% higher.

In January 1966, 950,000 scientists and technicians and 675,000 engineers were employed, an increase of 300,000 over 1961, or a 21% growth. Research and development was the primary work of almost 40% of scientists and engineers in industry in 1968. Federal government contract work was responsible for the employment of over 25% of scientists and engineers, mostly for the Department of Defense. Seventy per cent of scientists, engineers and technicians were concentrated in 10 industries: aircraft; ordnance and missiles; electrical machinery; chemicals; machinery other than electrical; engineering and architecture; construction; motor vehicles; instruments; and commercial laboratories.

A large proportion of these brain workers are directly related to the production process. Increasingly, they sense that they have more in common with the working class than with the employers. The trade unions, however, have yet to take the necessary measures to organize them and win them to the side of the working class.

The development of data-processing computerization, of technological breakthroughs

in communication and transportation; and the growing efforts of state-monopoly-capitalism to exercise some degree of control and planning over the production processes have enhanced the role of office, technical and distributive workers, whose proportions have grown in relation to production workers.

TABLE 9

**Employment by Major Occupation
Categories (000 omitted)**

	1960	1965
White collar (excluding managers, proprietors)	20,659	24,764
Blue Collar	24,211	26,466
Service Workers	8,349	9,342
Farm Workers	5,395	4,265

The conditions of work and wages resulting from the extensive machining of white collar work has brought a great change in the mentality of large sections of white collar workers who now feel themselves closer to workers than to the employers, enhancing possibilities for widespread unionization among them. Among distributive workers, whose total numbers have grown, a new union, the Distributive Workers of America, the majority of whose leadership is black and Spanish-speaking workers, has undertaken a massive organizing drive aimed, among other things, at winning a weekly wage of \$100 for the lowest-paid workers.

Due to mechanization of agriculture and improved methods of farming, agricultural output per man-hour increased by 50% between 1959 and 1965. The cost of achieving greater productivity on the farms — which only the richest can afford — has resulted in a precipitate ruination of millions of farmers. In 1967, the number of rural farm families had declined to 5.5% of all U.S. families. Tables 10 and 11 tell the story in graphic terms.

TABLE 10

Number of Farms by Size (000 omitted)

	1940	1964	Per cent Change
Total	6,097	3,158	
Under 10 acres	506	183	-63.8
10 to 49 acres	1,780	637	-64.2
50 to 99 acres	1,291	542	-58.1
100 to 179 acres	1,310	633	-51.7
180 to 259 acres	486	355	-27.0
260 to 499 acres	459	451	-1.8
500 to 999 acres	164	210	+28
1000 acres & over	101	145	+43.5

TABLE 11**Rural Population as per cent of Total Population**

(People Residing in Places of 2,500 Population and Under)

1910:	54.3%	1930:	43.8%	1950:	36. %
1920:	48.8%	1940:	43.5%	1960:	30.1%

The resulting massive exodus from the country to the city (70% of the population today lives on 1% of the land area of the U.S.) also adds to the army of unemployed and under-employed. The unemployment rate, by understated government measure, runs about 4%. When one takes into account the millions in the armed forces, the number of able-bodied people not engaged in productive labor runs well over eight million.

Back on the farms, the condition of the family-size farmers grows from bad to worse. In fact, this traditional symbol of American independence and free enterprise faces the danger of becoming all but extinct. The Farmer's Union newspaper in Wisconsin estimates that the average hourly net income of a Grade A dairy farmer came to \$1.75 an hour in 1968, a wage which barely keeps him out of poverty. Whole regions of Northern farm states have now joined the South and Appalachia as depressed areas. At the same time, the position of the big capitalist farms has strengthened tremendously at the expense of the poor and middle farms.

These developments have fired up a growing farm revolt expressed in withholding of products from the market and strikes for higher prices, tractor marches on the national capital, etc. At the same time, the forging of a Labor-Negro-Farmer alliance is essential to advance the struggle against monopoly and to prevent the countryside from becoming a stronghold of reaction.

The technological revolution has also caused regional shifts. The Middle Atlantic and New England states (Northeast) have been the traditional work-shop of the nation, accounting for over 46% between them, of all manufacturing employment up to World War II. Following the war, the East North Central Region (Ohio, Indiana,

Michigan, Illinois, Wisconsin) emerged in first place, with the Middle Atlantic states (New York, New Jersey and Pennsylvania) in second place. Through the cold war years, the South Atlantic states (which, together with the East South Central region, make up the South, and which together accounted for 17.9% of industrial employment in 1964), further strengthened its hold on third place, emerging as a major industrial region of the country. The Pacific Coast states gained a firm hold on 4th place, knocking New England down to 5th place.

These shifts are a direct result of the new technology, especially in relation to air transport and weapons technology, with the South and the West becoming the main areas of missile, aerospace and atomic energy development, as well as of the military establishment. The growth of the working class in the South and West is producing the decisive force for combat against the ultra-right, reactionary Dixiecrats and Republicans who have counted among their strongholds the South as a whole and sections of the West Coast. The acceleration of the all-national character of the working class across the entire nation is being achieved as a consequence of the technological revolution. The organization of the largely unorganized industries of the South stands as an urgent, historic imperative before the trade union movement.

Such revolutionizing changes as have been wrought by the new technology and the profiteering to which it has been put cannot but have far-reaching, radicalizing repercussions among the people, of which we are now witnessing only the beginnings.

Of decisive importance (and hence, little publicized and often played down in the capitalist mass media) is the upsurge in strike activity.

TABLE 12**Work Stoppages 1959-1969**

Year	Number	Average Duration	Number Strikers	Man-Days Lost
1959	3,708	24.6	1,880,000	69,000,000
1960	3,333	23.4	1,320,000	19,100,000
1961	3,367	23.7	1,450,000	16,300,000

1962	3,614	24.6	1,230,000	18,600,000
1963	3,362	23	941,000	16,100,000
1964	3,655	22.9	1,640,000	22,900,000
1965	3,964	25	1,550,000	23,300,000
1966	4,405	22.2	1,960,000	25,400,000
1967	4,595	NA	2,870,000	42,100,000
1968	5,045	NA	2,650,000	49,000,000

For the high number of strikes, sustained over such a long period of time (a decade), and for the high average duration of strikes (three weeks and more) over the same period, the strike upsurge of this decade is without precedent in U.S. history.

A new feature of the strike struggles is the entry into the elementary class war of government workers, led by sanitation workers and teachers. In 1958 there were 15 government worker strikes. In 1966, there were 142. This was more than the combined figure for the previous four years.

TABLE 13

Government Employee Strikes*

Year	Number	Number Workers	Man-Days Lost	Sanitation Service	Teachers Libraries
1958	15	1,720	7,510	7	0
1959	25	2,050	10,500	7	4
1960	36	28,600	58,400	12	5
1962	28	31,100	79,100	5	6
1964	41	22,700	70,800	5	18
1966	142	105,000	455,000	36	54

*The figures for 1967 and 1968 will show a further increase in such strikes.

Of special interest are the reasons for present-day strikes.

TABLE 14

Number of Strikes by Issues*

Issue	1964	1965	1966	1967
Wage Adjustments	168	198	272	248
Job Security	213	203	180	232
Plant Administration	596	589	684	701
Other Working Conditions	51	118	96	104
General Wage Changes	1,419	1,597	1,911	2,116
Supplementary Benefits	101	114	71	62
Hours of Work	12	14	5	7
Other Contract Matters	61	60	38	47
Union Organization and Security	556	594	596	586
Work Assignments	359	392	428	374
Sympathy Strikes	64	49	50	67
Others & not reported	31	86	74	51
Totals	3,655	3,963	4,405	4,595

***Wage Adjustments:** Include: incentive pay rates; job classifications or rates; downgrading; method of computing pay, etc.

Job Security: Includes: seniority and/or layoffs; division of work; new machinery and other technological issues; job transfers and bumping; transfers of operations; subcontracting of work, etc.

Plant Administration: Includes: physical facilities, surroundings; safety measures; dangerous equipment; supervision; shift work; speed-up; work-loads, work-rules; discharge, discipline, etc.

Other Working Conditions: Includes: arbitration; grievance procedures; unspecified contract violations by company.

Others and not reported: Includes: jurisdictional disputes and other inter and intra union matters.

Work assignments: Includes: jurisdictional work assignment disputes.

These figures reveal: 1. The fight for higher wages remains a basic issue and cause of strikes. This will remain so as long as inflation and taxes keep mounting. Thus, the claim of petty-bourgeois radicalists that the fight for more wages has ceased to have any significance (in the sense of revolutionary potential) is discounted by the strike action of the workers themselves.

2. At the same time, the number of strikes due to conditions arising out of automation and technological change is rapidly rising. In the majority of cases, they are unauthorized, taking place without the approval or sanction of top trade union leadership. Thus, the workers on the job are in advance of the union leaders in the struggle against the intensification of exploitation due to technological changes. The leaders lag either because they are reactionary and class collaborationist and unconcerned with worker's real problems, or because they have no answers for coping with the new problems.

The growing radicalization of the working class expresses itself in the new causes of strikes, in the growth of sympathy strikes; in the form of the political strike of West Virginia coal miners or the one-day strike of Indiana school teachers; in the strikes of protest against the assassination of Dr. Martin Luther King; in the growing tax revolt which has moved workers into massive petition drives, demonstrations and marches; in the change in the character of resolutions submitted by local unions to state conventions of the AFL-CIO, from a preponderance concerned with narrow craft or single industry interests to a strong trend expressing more all-encompassing interests, such as taxes, inflation, export of jobs, concern with priorities of government spending for warfare instead of welfare, concern with discrimination

against black workers and problems of poverty, and challenges to the political action, electoral policies of the trade union bureaucracy.

A new level of awareness, a new quality in the psychology and mentality of the working masses, has developed under the impetus, among other things, of the technological revolution. More than ever before, there is awareness of what mankind could achieve with the material resources at hand; more and more is recognition developing that Big Business is responsible for the spoliation of nature, the exploitative abuse of scientific and technological attainments and the pollution of man's environment in its worship of profit at the expense of the people.

The conditions for mass radicalization are rapidly ripening. The conditions for revitalization of the labor movement, for its restructuring in keeping with technological change, a great organizing drive, especially in the South, and for a struggle for the shorter work day; for a renewal of international trade union unity to fight the multi-national corporations; for a politically independent labor movement, and for a crushing defeat of racism—all these are maturing under the impact of the scientific and technological revolution. The massive black liberation struggle, the student revolt, the tax revolt, the developing farm revolt, the growing revolt against the poisoning of man's environment, are all signs of the maturing of conditions for the rise of a grand alliance of all victims of monopoly led by the working class.

Not the least of the forces generating the mass struggles of the people is the scientific and technological revolution. It is speeding up the whole revolutionary process in the citadel of world imperialism. The outlook is one for sharpened class and mass struggles.

Facts, figures, testimonials

The articles by U.S. writers in this issue on various aspects of life in the United States show the irremediable ills from which that leading capitalist power is suffering in our time. Below are facts, figures and testimonials complementing the general panorama in the citadel of world imperialism.

THE WAR IN VIETNAM

The monthly cost of the U.S. criminal war in Vietnam has risen to \$2,500 million. Half a million U.S. soldiers have been shipped to the Vietnam jungle, thousands of miles from home. The official casualty figure exceeds 300,000 Americans killed and wounded. From 1958 to 1968 the Vietnam war cost the United States more than \$100,000 million. Its armed forces resort to inhuman methods against the people of Vietnam, using internationally banned weapons of wholesale annihilation (fragmentation and incendiary bombs and shells, napalm, biological weapons, gas and other toxic substances), deliberately massacring the civil population, razing towns and villages, schools, hospitals, churches, historical landmarks, and deliberately destroying crops. People everywhere recoiled in horror from the U.S. atrocities in Song My, where the villagers were indiscriminately killed. President Nixon, faced with the facts, has admitted that in Song My "what appears was certainly a massacre, under no circumstances was it justified." But neither atrocities nor weapons can bring the people of Vietnam to their knees; they are fighting on heroically for their freedom.

THE ARMS DRIVE

Rapid growth of the monopolies and their lust for profit has accelerated militarization of the entire U.S. scene, with the military-industrial complex dominating all aspects of life. Agents of the giant monopolies and trusts, holding the commanding heights in the machinery of state, make and conduct an aggressive foreign policy, receiving from the Treasury vast allocations for armaments, for the military bases scattered all over the world, for maintenance of a huge army, and for sparking aggressive wars. The military-industrial complex exists at the expense of

an immense war machine and the war budget. The Pentagon employs 3,500,000 servicemen and 5,000,000 civilians. It is in possession of more than 50,000 square miles of land, its property being assessed at \$200,000 million. It maintains 3,405 war bases in 33 countries. Federal war allocations (official) were \$81,300 million in the fiscal year 1968-69 against \$46,000 million in 1959-60. With considerable military spending being done under other heads, the total military expenditure last year was estimated at \$112,000 million. From 1946 to 1968 U.S. military expenditure added up to \$1,050,000 million, that is, to two and a half times as much as the total military expenditure in U.S. history before 1945.

DECLINE IN STANDARD OF LIVING

Poverty is an acute social problem. Nearly 30,000,000 people are officially admitted to be living in poverty, with only 18 per cent of them on government relief, the scale of which, moreover, is patently inadequate. According to Senator Joseph Clark at least 77 million Americans (that is, two fifths of the population) live in poverty and want. The "war on poverty" declared by the Administration has ended in failure. We thought, said Ralph Abernathy, leader of the hunger march on Washington, that America had made a great promise to its poor. And he added: Now we can see that the promise was false.

Rising prices, taxes and the higher cost of medical treatment and education, accompanied by a decline in real wages, especially due to the inflation, are adding to the problem.

The standard of living is declining among workers. In the seven months from September 1968 to April 1969 the decline was al-

most three per cent for the ordinary factory worker. Yet, instead of increasing government allocations for welfare, the Administration is axing them in the interest of the military-industrial complex. Less money is allocated for the health service, for slum services, education, vocational training, and municipal and health programs. The decline in the standard of living is accompanied by an intensification of labour through automation, cybernetics and other scientific and technological innovations. The intensive exploitation affects the workers' health, their mental and physical condition, with industrial accidents steeply climbing in number.

THE URBAN CRISIS

Imperialism cannot solve the acute urban crisis. Most city people live in sub-standard housing. In New York alone there are 800,000 slum dwellings. Over-population in American cities is colossal. Some 70 per cent of the nation are crowded into a mere one per cent of its area. U.S. cities, according to ex-Vice-President Hubert Humphrey, all too often resemble an inhabited hell. Senator Javits has described the American city crisis as the dirtiest story of our time. Mayors of many cities told Congress that it would take at least a trillion (1,000,000 million) dollars to cope with their problems. Of course, it is farthest from the minds of the rulers to invest so much in the people's welfare.

RACIAL DISCRIMINATION

Racial discrimination is the most acute of all U.S. problems. Twenty-five million Blacks, treated as second-class citizens, are exposed to all the ills of U.S. society: unemployment, poverty, ghetto life, barbarous exploitation and humiliation. Negro wages are on the average 53 per cent those of whites, and only 30-40 per cent in the South. Thirty-nine per cent of the Negro population live in poverty. Unemployment in the ghettos approaches 50 per cent. Dwellings of Blacks are 56 per cent sub-standard. Black life expectancy is five years below that of whites. Mortality among "colored" children is 40 per cent higher than among white. The rising Black movement has compelled the ruling classes to legislate civil rights, but that has not greatly altered the situation. Speaking in Congress in 1966, Senator Edward Kennedy said that despite all the court decisions less than three per cent of the Negro children in the South attend desegregated schools and that little has changed in the life of

the Negro despite all Congress programs. What is the good of a desegregated motel, Kennedy asked, if you haven't the money to stop there, and what is the good of your voting rights if you vote at the risk of losing your job, even your life. Unemployment is twice as widespread among Blacks as among whites. Blacks are still segregated in the big city ghettos, and that segregation is more pronounced than ever. Other national minorities—Mexicans, Puerto Ricans, Indians and Eskimos (in Alaska)—are also victims of discrimination.

CRIME BLOSSOMS

Number of Serious Offences

1967	3,700,000
1957	1,400,000

Official figures show that in the past seven years crime in the USA has increased 88 per cent. This should surprise no one, since 100,000,000 weapons are legally in private possession. Political assassinations have become usual: the most recent victims are John Kennedy, Viola Liuzzo, H. Malcolm, Medgar Evers, Martin Luther King and Robert Kennedy.

UNEMPLOYMENT

U.S. imperialism is no match for the acute social problems. Despite the Vietnam war and the arms drive, unemployment figures are high, particularly among young people. Unemployment among the youth was 13 per cent in October 1969, with statisticians estimating that the 1970 figure will rise to three million young job-seekers. Losses from unemployment between 1953 and 1965 are estimated by the U.S. press at between 500 and 700 billion dollars.

The U.S. economic system requires from the working class a high degree of adaptability to changing production conditions, considerable mobility and an energy outlay for job-seeking. Sizable shifts of manpower occur annually between enterprises. Officially registered dismissals average 25 million a year. In addition, sociological research reveals, some 45 million do not bother to register job changes.

Scientific and technical progress affects employment in two ways: part of the work force is pushed out by new machines and mechanisms, and a large number of young people entering the labor market for the first time have little prospect of finding a job. As a result, the number of jobless remains unchanged.

The table below is from **U.S. News and World Report**, October 27, 1969. The figures are official and therefore doubtlessly mini-trends.

In September, 3,232,000 Americans were jobless—four percent of the labor force. A rise in the jobless rate to five per cent by next spring — predicted by many economists — would put nearly 900,000 more people out of work. This is how different groups would fare, on the basis of past experience.

By Sex and Age	At Today's 4%		With a 5%	
	Unemployment Rate Jobless	Rate%	Unemployment Rate Jobless	Rate%
Males age 20 and over	1,126,000	2.4	1,620,000	3.4
Females age 20 and over	1,167,000	4.2	1,417,000	5.0
Male teenagers	482,000	12.1	555,000	14.1
Female teenagers	457,000	14.6	508,000	16.5
By Color				
White workers	2,618,000	3.6	3,281,000	4.5
Non-white workers	614,000	6.8	819,000	9.0
By Occupation*				
White-collar workers	845,000	2.2	994,000	2.6
Blue-collar workers	1,325,000	4.4	1,772,000	5.9
Service workers	491,000	4.9	584,000	5.8
Farm workers	66,000	2.0	98,000	3.0
By Industry*				
Construction workers	288,000	7.6	370,000	9.7
Factory workers	814,000	3.7	1,042,000	4.7
Transportation, public utility employees	95,000	2.0	144,000	3.0
Wholesale, retail trade workers	614,000	4.7	724,000	5.5
Finance, service industry employees	536,000	3.5	617,000	4.0
Government workers	236,000	1.9	300,000	2.4

*Figures do not include self-employed.

POLICE RESPOND WITH REPRISALS TO UNREST

The ills of the outdated social system are giving impulse to a powerful movement against the ruling classes, the financial oligarchies and the pillars of that system. The response to the monopoly offensive is a wave of strikes. In the 10 years from 1959 to 1968 nearly 40,000 strikes were registered in the United States, involving 17,500,000. In the first six months of 1969 a loss of 18 million work days was incurred due to strikes involving 1,100,000 wage-earners.

Millions of Blacks are fighting what amounts to a real war for a better life and freedom. Gripped by despair and anger the people of the ghettos are rising, with police, the National Guard and regular troops being called out against them by the authorities. New contingents of "colored" and whites

are joining the civil rights movement. The youth movement has grown to unprecedented proportions. The women's movement, too, is becoming more militant. Broader sections of women are demanding full social, political and economic rights.

Most massive is the movement against the criminal war in Vietnam. It involves all sections of the population, even members of Congress. Mammoth nationwide anti-war demonstrations took place in the last three months of the year. Servicemen, too, have joined the actions against militarism. In one year alone (up to June 30, 1968) 53,000 desertions from the armed forces were registered. The present figure for young people evading the draft has passed the 23,000 mark. Tens of thousands of Americans evade military service by leaving for Canada, Sweden, France and other countries. The statement of 1,365 GIs published in the **New**

York Times on November 9, 1969, is evidence of anti-war sentiment running high in the U.S. army. We are against U.S. participation in the Vietnam war, they wrote, adding:

We rebel against the senseless loss of life, and speak of it, because we are convinced that our point of view is shared by many of our compatriots in the U.S. armed forces.

WMR

in the communist and workers parties

Working program of Swedish communists

FRITJOF LAGER

The 22nd Congress of Sweden's Left Party—Communists in Stockholm last September discussed the report of the Party leadership, the program for the years ahead and amendments to the Party Rules. It was attended by representatives of 25 fraternal parties and Left groups.

The Party's President, K. Hermansson, stressed solidarity with other Communist parties and the peoples of the socialist countries. "We have a deep sense of solidarity with all Marxist parties and the peoples building socialism, and shall never engage in anti-socialist propaganda, looking for mistakes in the socialist countries. Those who possibly hope that our Party will some day howl like wolves at the socialist countries are in for a disappointment".

This article is devoted to how the question of the Party's activity in the immediate future was dealt with by Congress. On the leadership's motion Congress unanimously adopted a working program for the three years ahead, listing the tasks under 12 heads.

Where the program refers to Sweden's foreign policy, it declares firmly against the country's entry into the Common Market, with which neutrality is quite incompatible. The LPC also demands a radical re-orientation in relation to the Third World, dissolution of military blocs and war bases, and withdrawal of troops from foreign territory.

Congress called for action against the nuclear war menace, the West German demand for border revisions, and an early European security conference reaffirming the frontiers established under the 1945 Potsdam Agreement.

The LPC declared support for the national liberation movements, urging the government to break relations with the Saigon regime and to recognize the South Vietnam revolutionary government, also advocating recognition of the Korean People's Democratic Republic and the German Democratic Republic. It expressed opposition to direct and indirect support by Sweden's Big Business of despotic regimes and called for the repeal of state guarantees

for private investment in developing countries; it also declared in favor of broad economic cooperation among the northern countries.

Of late, sentiment against the decision-making rights of the propertied classes has been building up among the Swedish working class. The main demand is that factory personnel should participate in making essential, as well as secondary, decisions. The agreement on so-called enterprise committees, concluded soon after the war between the Industrialists' Union and the two big trade union centers—the Central Association of Swedish Trade Unions and the Central Employees Organization — gives the committees in question, comprising representatives of labor and management, no more than consultative functions. Dissatisfaction over their work has been mounting down the years, principally because they exert no influence on the employer's right to hire and fire.

In the program, Congress demanded an end to the employers' right of dismissal. Other related important demands were, in part, that wage-earners should be afforded a bigger say at all decision-making levels concerning the factory's daily life, that labor legislation must be altered, and that trade unions and labor safety committees should be vested with greater powers in controlling safety measures. The program called for a more comprehensive health system at enterprise level, a reduction of the working week to 40 hours, a simultaneous extension of vacations from four weeks to five, and reduction of the pensioning age (at present pensions are granted at 67). Physically or mentally hard labor, the program says, must be compensated by shorter hours and longer vacations.

The program centers on matters of vital importance for Sweden's working class. Possibly, some of the demands (like legislation for longer vacations and a 40-hour week) are not realistic enough for a program running out in 1972. Wage-earners should probably lay the main accent on the other demands, above all participation at enterprise level.

Monotony and boredom are, regrettably, part of the environment in factories. The conveyor and clocking methods cause overstrain, leading to premature aging, causing physical and mental disorders, and, by and large, reducing the life span. Those trends could be combated without delay. Indicatively, the big insurance society owned by Folksam Cooperatives launched a campaign against mental disorders in production at

the beginning of autumn 1969. The society is not moved by any idealistic motives in doing so. For it this is purely a business proposition: workers and office personnel wear themselves out too quickly to be a profitable object of insurance.

Various industrial unions, including the big 335,000-strong metalworkers' union, held congresses in the summer and autumn, at all of which demands for workers' participation resounded. In the final analysis, this is a call for a new approach to the man-and-machine relationship, in which man has so far been compelled to adjust himself to machines, tools and mechanical devices—a clearly inadequate arrangement. It would be more proper to adapt technical equipment to man. But research along these lines is far behind the needs. The LPC program lays a strong accent on this demand, which, doubtless, will be widespread among trade unions soon.

Under a special head the program examines the present class structure and the prevalent trend. What strikes the eye is that class distinctions and income gaps are widening. The number of millionaires and their incomes have increased, while higher taxes, prices and rents have depressed the situation of wage-earners. Instead of a gradual levelling of wages, we see greater disparities, due largely to the rule, stipulated in collective agreements, that wage increases are equal for all in percentage terms. Those with larger incomes thus get considerably bigger increases than those with lower incomes. As a result, the wage gap has grown. This was also impelled by structural changes in industry produced by closure or transfer of enterprises—a trend that has become widespread in Sweden. Wage-earners face the difficult problem of adapting themselves to new localities on moving from familiar environments, and of retraining, which tends to depress the income. The industrial population in the northern and south-eastern regions of Sweden is afflicted most by this.

The shuffling of workers occurs also at enterprise level. By transfers employers seek to lower wages on the pretext, among other things, of poorer performance by persons employed on a piece-work basis. Although the Social-Democrats have headed the government for 37 years, no measures have ever been taken to relieve this pressure on earnings. The crucial issue in achieving equality, the program says, is the relation of wages to profit, with wages increasing at the expense of profits. The conditions for this are favorable: in recent

years profits climbed at a higher rate than before, with dividend payments rising steadily. The trade unions must, therefore, exert a decisive influence on the forms and structure of earnings. For them to do so, the Party, like the trade union movement, must work perseveringly.

The program also contains more long-term targets. It discusses the question of socializing certain sources of income, converting them into state, community or co-operative property. "The conversion of means of production into state, community or cooperative property," it says, "may be a step forward in the present social conditions. This must be done to prevent the big multinational or other foreign concerns from establishing their dominance over our nation (e.g., the oil refining industry). They may be given certain general functions or vested with powers of control over special fields. Management should proceed from the standpoint of geographical distribution and employment. But this property must combine with *genuine influence of factory and office workers* (the emphasis is in the program), and opportunities must remain for wage-earners to continue their struggle against capitalism.

"In these conditions, the state must assume control, particularly, over commercial banks, private insurance companies, the defense industry, the building materials industry, the oil distribution system and the pharmaceutical industry. As for the question of compensation, the main principle should be nationalization without compensating the stocks and shares of big capitalists and payment in government bonds to smaller shareholders. Private stock companies and large stocks should go to the state."

Taxes exercise a strong influence on the wage-earners' standard of living. Apart from selective taxes on some commodities (e.g., alcohol, gasoline and tobacco), taxes in Sweden are of three kinds—first, the direct state tax, second, the communal tax, and, third, the indirect tax on commodities and services, the so-called turn-over tax. The direct state tax is progressive, the direct communal tax is based on the value of the taxed property (at present it amounts to 20-25 per cent in the communes), with the turnover tax being 11 per cent, but soon to be raised by another four per cent.

The program demands a different and fairer taxation policy. The lower-paid wage-earners (with incomes up to 20,000 crowns

a year) should be totally relieved of the direct state and communal taxes, while taxes on bigger incomes should be raised. We also demand the repeal of the indirect tax, while the communal tax could be lowered, with the state assuming the cost of the health services and maintenance of infant nurseries, and increasing allocations for school education. The dent this would make in the state budget may be compensated by higher taxes on larger estates, inheritance and gifts, higher taxes on companies and full taxation of incomes deriving from stock exchange operations and land speculation. Also, a tax could be imposed on advertising.

The program notes that due to capitalist mismanagement the natural environment is deteriorating. "Capital is destroying the urban environment," it says. "In the interest of profit, old houses are allowed to go to ruin. The valuable natural environment is barbarously destroyed. Expansion of car parking and production areas are driving people to isolated suburban districts, lengthening their daily trips, adding to their cost, and removing the people from the services and contacts." A set of concrete demands is listed that could either reduce or terminate capital's vandalistic destruction of the urban environment, including priority for public over private transport, restricting city and town centres to pedestrians, bicycles and public vehicles only, and building dwellings in the central sections of towns.

Instead of building industrial enterprises in parts of the country with ample labor, capitalism compels people to migrate to where employers obtain bigger profits. The Left Party—Communists demands that the government draw up a national economic development plan, advancing certain partial proposals to that effect and drawing the conclusion that the new image of labor, environment and human life presupposes the establishment of socialist society. Among the changes suggested is the proposal for government measures to step up the industrialization of Norland, a section of Sweden with forestland, ore deposits and sources of water power. The program also insists on centrally-operated transport that would divert more freight to the railways and relieve the motor-roads. Immediate measures are urged to combat water and air pollution, raise the quality of gasoline, ban the so-called single-use bottle and long-life toxic substances.

The rapid scientific and technical progress

poses new problems for schools and other educational establishments. A sweeping school reform was carried through in the fifties and early sixties, extending basic schooling to nine years and removing some of the obstacles to admission to gymnasiums, higher schools, universities and vocational schools. But that, the program says, is insufficient. What is needed is a further extension — a preparatory school for children of four years and up and a single basic 12-year schooling, with paid education for adults.

The program on education, its forms and content, is complemented by proposals that are in the interest of people employed in the cultural domain. One of the demands, for example, is the issue of 24 ore to the writer's account each time a reader takes his book in a library; greater participation of cultural workers and democratic organizations in drawing up radio and television programs; more community services for cultural workers; incentives for artists and other cultural workers to participate in the work of local groups and cooperate with workers and other wage-earners, etc.

The working program for the coming three years, unanimously adopted by the LPC Congress, ends with the following appeal:

"Capitalist concentration of power restricts and distorts the results of reforms. Instead of greater freedom there is greater

discipline, greater control over the individual, and greater surveillance of worker, employee and student. Instead of equality the distance between the people and the centers of power is growing. State and capital demand that the nation adapt itself to the requirements and appraisals of monopoly capital.

"We Communists oppose these tendencies. And in our struggle we turn to all wage-earners. It is not enough to fight against capitalism in the Riksdag and the executive organs; these are being increasingly integrated in the monopoly capital system and the machinery of power. The enterprises, residential neighborhoods, mass organizations, streets and squares are the central areas of struggle against monopoly capital. Daily democratic activity can be built up there, adding to the people's faith in themselves, which is a prerequisite for overthrowing capitalism and securing the victory of socialism."

The big task facing the Party now is to build up the campaign for the Riksdag and communal elections in September 1970. In a country like Sweden, with its deep-rooted parliamentary traditions, elections are important. Ever since its founding in 1917, the Party has had access to the parliamentary forum and used it to promote its policy. The thought that this forum could be lost to the Party prompts its members to work harder in order to maintain the old Party traditions.

Political work and raising effectiveness of production

How best to accelerate technological progress and ensure greater effectiveness of social production are matters always under scrutiny by the Communist Party of the Soviet Union, by all its links—from Central Committee down to the local branch. Guided by the directives of the 23rd CPSU Congress, Soviet Communists are concentrating on improving economic management and on achieving higher production indices.

A case in point is the Party organization in the Schekino chemical plant which re-

cently reported to the Central Committee on its work, on the measures it had charted, together with the trade union and Youth League organizations, to enlist active participation by workers, engineers and office staff to accelerate growth rates and productivity of labor.

Commissions promoting technical progress have been set up in the shops on the initiative of the Party organization, and innovators' councils formed. Also a university course on technico-economic subjects

has been started. In addition, production matters are regularly discussed at workers' meetings, production and economic conferences.

As a result of these measures, plus incentives, production is rising steadily. Premiums are paid out of the wages and salaries economized as a result of cuts in personnel. More than a thousand of the plant's workers have acquired another trade, and more than four thousand have improved their skills. The Party and the trade union take care of redundant workers, help them acquire new trades and place them accordingly.

The purposeful activity of the Party organization and of the entire personnel has yielded effective results: over the past two years labor productivity has risen by 87 per cent, volume of output by more than 80 per cent, and this with 870 fewer workers.

Attaching importance to the role played by the engineering staff in accelerating the technical progress, the Central Committee adopted a special decision to this effect, generalizing the experience of the Irkutsk Regional Committee. In pursuance of this decision, the Party committees in the region are concerning themselves with the ideological and political education of specialists, are helping to raise the level of their technical and economic know-how. Special refresher courses have been opened in the Irkutsk Polytechnical Institute. Two-year schools for the study of economics have been opened for factory directors, engineers and economists, in addition to various seminars, courses and schools giving instruction in the scientific organization of labor.

The Central Committee considers that one of the important tasks is to encourage the initiative of the engineering staff and researchers in accelerating technological progress in the enterprises.

'Special attention,' it said, in its resolution, 'should be paid to political mass work among the young specialists. Engineering staff, scientists and managerial executives should be educated in a spirit of ideological conviction, not to tolerate technological conservatism, to help by personal efforts to accelerate scientific and technological

progress. Work should be organized in a way that will enable every engineer and technician to display his abilities, and make him fully conscious of his duty and responsibility to the country. Specialists should be active vehicles of the Party's policy, standard-bearers of technological progress.'

The Party has always attached importance to promoting inner-Party democracy, to membership meetings, considering them vehicles of collective leadership, schools of political education, for it is at the branch meeting that members discuss how best to improve production, to implement the economic reform, to accelerate scientific and technological progress, the Party's home and foreign policy.

The work of the Yaroslavl city committee of the Party in this respect was discussed by the Central Committee which, while noting the results achieved by the city committee in preparing and carrying out Party meetings, also drew attention to shortcomings. The Central Committee considered that the growing political maturity, cultural and technical level of members and candidate-members were not sufficiently taken into account. The success of a meeting depends in large measure on how it is prepared, on the points submitted for discussion. Discussion should be business-like, criticism principled, there should be a broad exchange of views and proposals should be given a hearing and where necessary supported.

The Central Committee noted that Party committees and leading functionaries do not always give the needed attention to the suggestions made by members. Some functionaries react painfully to criticism, do not lend an ear to suggestions.

Party meetings are effective means of rallying Communists and non-Party people to carry out the decisions of the 23rd CPSU Congress and other Party decisions, to increase production, improve labor discipline, ideological education and public services. The Central Committee has called upon the central Party papers and journals, regional and district newspapers regularly to report the Party meetings and to give more coverage to the experience of the Party organizations.

L. Sh.

In brief

AUSTRIA

The resolution of the Eighth CPA Central Committee meeting, at which Franz Muhri, the Party's chairman, reported on the problems and tasks of the Party, appeared recently in *Volksstimme*. The Central Committee reaffirmed the decisions of the 19th and 20th Party congresses, emphasizing the need to combat departures from, let alone attacks on, these decisions, from whatever quarter they may come.

In reference to the statement by 27 Central Committee members opposing the expulsion of Ernst Fischer, the resolution pointed out that arguments over differences and attempts at overcoming them in order to establish the maximum ideological unity must take the form of serious discussions, without mutual discrimination.

The resolution said that the Central Committee is in accord with Muhri's proposal to devote one-third of *Weg und Ziel*, the Party journal, to discussion materials and make one page of *Volksstimme* available for the expression of different points of view.

The meeting adopted a resolution denouncing statements by F. Marek, a Central Committee member, to the bourgeois press.

The CC CPA, the resolution stressed, reaffirms its rejection of the harmful practice of Communists making statements to bourgeois newspapers, over the radio and TV, opposing Party decisions, and demands that Central Committee members refrain from doing so.

The resolution pointed out that preparatory work for a Communist Youth Movement organization will continue. Youth groups already active and those still in the formative stage will work out their own program, rules, etc., and will run their organization themselves. The CPA regards the Communist Youth Movement as the sole Party youth organization, linked with the Party politically and ideologically and deserving of every political, technical and financial help.

The Central Committee backed the proposal contained in Comrade Muhri's report

that the dialogue with the League of Free Austrian Youth should continue, so that the League can finally unite with the Communist Youth Movement, provided it also wished to have friendly relations with the Party.

The Meeting removed F. Zapf from the Political Bureau, CC CPA, for refusing to carry forward the Party line in the youth movement.

Finding themselves in a minority on matters discussed at the meeting, E. Kodicek, F. West and M. Urban resigned from the Political Bureau.

The resolution stressed that no matter how necessary continuous ideological struggle against revisionism and dogmatism may be, the Party's political aims and tasks, especially those associated with the coming National Council elections, hold pride of place.

The plenary meeting of the Central Committee held in December discussed questions related to the coming parliamentary elections.

A unanimous decision was adopted not to elect new members of the Political Bureau to replace F. West, E. Kodicek, M. Urban and F. Zapf. It was decided that at a later date L. Horak, Chairman of the Trade Union Unity Group, should be brought into the Political Bureau.

Considering that F. West had resigned as chief editor of *Volksstimme*, F. Fuernberg was temporarily put in charge of the paper.

The meeting decided to call the 21st Congress of the Party after the March 1 parliamentary elections.

SPAIN

The Executive of the Party's Central Committee issued a statement on dictator Franco's cabinet reshuffle.

The reshuffle, the statement says, shows, among other things, that dictator Franco, whose regime is in the final stage of disintegration, is incapable of carrying on with the so-called policy of balance, meaning that he has surrounded himself with

various reactionary and fascist cliques to perform the functions of government.

Judging by the number of ministers changed, the statement said, it was the most sweeping reshuffle since the Franco regime came into being, confirming that Francoism is on its last legs and that its crisis is irreversible and deep.

The Executive pointed out that, with the crisis growing and the conflicts becoming sharper at "top level," the working class and democratic movements must, with courage and determination, exploit all available opportunities to strike at the present moribund structure, breaching it and wresting every possible freedom from it, thus compelling the government to retreat and then occupying the positions abandoned by the dictatorship due to its failures and weaknesses.

What is decisive is that the mass movement must not give the government a minute's respite. Having undertaken to resolve the grave problems of interest to the working class and the people, it should mount an offensive against the regime, whose internal weaknesses are surfacing more and more distinctly.

The workers' commissions are capable of action in the public arena and should clearly define their role in the life of the country.

The statement stresses that while improving the organization of the masses and searching for new forms of struggle, the Party must step up the demands for freedom of the press, freedom of association and assembly and for full democratic rights.

The struggle of the workers and other population groups is paving the way for a general political strike.

Cooperation between Communists and progressive Catholic priests and groups remains an important factor, giving breadth to the mass struggle.

Party and YCL branches should concentrate on getting servicemen to refuse to be tools of dictatorship repression; encourage the desire, so keenly felt in the Army, for closer contact with the people and for democratic renewal.

While supporting the people and other population groups, the statement says, Communists should strengthen the Party in every way and improve its political work, showing the people who are their enemies blocking the road to a happier future.

The Executive Committee called on all local Party committees to establish contact

with other political forces, exposing the true face of the new government, warning against its possible maneuvers and working out joint action against fascism. It is up to the membership to elucidate the decisions of the Communist Party of Spain.

CUBA

Fidel Castro, the Prime Minister of Cuba and First Secretary of the Communist Party, addressed representatives of the Cuban armed forces leaving for the *safrá*, the sugar cane harvesting. Stressing the importance of servicemen participating in field work, Castro said that the pledge to produce 10 million tons of sugar in 1970 will have a strong revolutionary, political and economic impact on the country. The imperialists, Castro emphasized, have always tried to throttle the Cuban revolution by economic levers; the production of 10 million tons of sugar will work against their intrigues and facilitate the further economic development.

Castro referred to the plans for the country's economic growth. In the past, he said, Cuba's economy was almost totally centered on sugar cane, which represented nearly 80 per cent of the gross national product. At present, the revolutionary government envisages a considerable diversification of agriculture. Its intention is to expand animal husbandry, rice growing, poultry farming, fishery and to increase the production of meat, milk, eggs and other products. A highly developed agriculture will be an enduring basis for the development of industry.

CONFERENCE OF CENTRAL AMERICAN, MEXICAN AND PANAMANIAN COMMUNIST PARTIES

The Mexican Communist Party, the Communist parties of Honduras and Salvador, the Guatemalan Party of Labor, the People's Vanguard Party of Costa Rica, the Nicaraguan Socialist Party and the People's Party of Panama held their Sixth Regional Conference to compare notes and to coordinate action against imperialism and home reaction.

The exchange of information and opinion, a statement issued by the Conference said, again revealed the different degrees of intensity reached in the revolutionary struggle from country to country. The specific

conditions are reflected in the respective programs, and in the strategy and tactics, as well as in the degree of imperialist oppression and "solidarity" of the reactionary and imperialist-dominated regimes, and in such common factors as unite us, making our joint participation in the struggle against forces hostile to the revolution necessary and possible.

The Conference noted that the forms and ways of the revolution may differ from country to country, but that the goal is the same. For the revolution to triumph in the region, joint action against the enemy is essential.

The Conference examined the war between Salvador and Honduras, describing it as unjust, as a war for the interests of U.S.

imperialism and the respective oligarchies planting the seeds of discord between the two peoples. The war is a manifestation of the crisis gripping the system of imperialist domination. It can be stamped out if the progressive forces of the two countries join hands in fighting for democracy, independence, social progress and social welfare.

In connection with the worldwide celebration of the Lenin centenary, the Conference called on the Communists of Mexico, the Central American countries and Panama to redouble their work of disseminating Lenin's legacy among the masses and to promote study of Lenin's works.

An understanding was reached to devote the next conference to the economic integration of Central America.

The youth international

RAYMOND GUYOT

UNDER THE BANNER OF SCIENTIFIC SOCIALISM

The Young Communist International (YCI) was founded in November 1919, a few months after the founding of the Communist International.

The first international organization of revolutionary youth was inaugurated in August 1907 at a constituent congress of the Socialist Youth International in Stuttgart under the influence of Karl Liebknecht, the intrepid leader of the German revolutionary youth.

In the discussions and in the hearts of the delegates resounded the powerful motifs of the 1905 Russian revolution, and before their eyes was the example of the heroic struggle of Lenin's Bolshevik Party. The formation of the Youth International was, distinctly, a landmark in the battle for the interests of the exploited and oppressed working youth in all countries, an important event for the revolutionary education of working-class and student youth.

Unfortunately, in later years most of the leaders of national bodies of the Socialist Youth International followed the leaders of the Second International in class collaboration. And during the 1914-18 imperialist war they betrayed the internationalist ideal. Only Lenin's party in Russia and a few socialists in other countries continued to hold aloft the banner of internationalism.

It was remarkable, however, how from the first months of the war the socialist youth in most of the national organizations opposed the leaders of the II International. During the 1915 Easter holidays, a conference of socialist youth organizations was held in Berne. True, only 16 delegates from 10 countries attended. But the future was on their side. They decided on extending

international contacts, setting up a permanent secretariat, publishing a journal, *Youth International*, organizing international anti-war days and participating in campaigns initiated by opposition groups in the socialist parties, combating the war hysteria and the betrayal of the Second International leadership.

Four years later, the vast majority of the socialist youth organizations decided to found the Young Communist International.

In June 1918 a socialist youth congress in France almost unanimously adopted a resolution denouncing continuation of the war. In October 1920, a congress of French socialist youth in Bellevilloise Hall in Paris decided to adopt the name of Communist Youth, join the YCI and side with those urging the Socialist Party to affiliate with the Communist International.

An internationalist movement of loyalty to the scientific socialism of Marx and Engels unfolded among socialist organizations and the working class in the belligerent countries during the war. It gained pace in 1917, growing considerably in scale. The grand revolutionary battles and the historic victory of the 1917 October Revolution, which shook the foundations of the old capitalist and imperialist world, ushering in a new era for mankind, exerted a decisive influence on the young generation.

Later, in 1919 and 1920, the revolutionary movement in Hungary and Germany and the big strikes in France, especially the railway strike, influenced the young generation of workers to accept communism. This explains why the majority of young socialists and their organizations rallied to the Young Communist International, thus writing the opening chapter in the latter's long and glorious history. Under Comintern leadership, the Youth International began

its work of winning the young generation for the cause of freedom, peace and socialism.

The YCI followed in the footsteps of the teachers of the working class, the founders of scientific socialism. This year, marking the anniversaries of Lenin and Engels, it is only proper, therefore, to speak of the teachers of socialism, because their doctrine is alive and valid for our struggle of today. With scientific and technological discoveries causing a precipitous growth of production in the industrialized societies, we see the youth standing beside the working class in the van of the struggle for technical progress, a progress that they want used for man's happiness, not against him in the interests of the exploiter.

Marx and Engels, who made a special study of the exploitation of young workers, prepared the ground for their participation in the great impending battles. The need for a youth organization was noted in a resolution adopted by the Sixth Congress of the Russian Social-Democratic Labor Party (Bolsheviks) in August 1917. "Congress considers it necessary," it said, "that local organizations devote the closest attention to organizing the youth." Elsewhere, the same resolution said that "in a number of Russian cities, especially Petrograd, a broad movement of working youth has begun to create independent proletarian organizations of young men and women workers."

WITH THE WORKING CLASS, COMPLETELY INDEPENDENT

Lenin counselled the youth to be vigilant in face of bourgeois efforts to distract them from active participation in the economic and political struggles of the working class. He warned them against false friends who distracted them from a serious revolutionary education by peddling idealistic quasi-revolutionary nonsense. However, Lenin also advised them each time they tackled practical work to establish ties with the Social-Democratic organizations, to heed their counsel and, as far as possible, avoid serious mistakes at the beginning.

But Lenin was never one to say that the youth is only good for applying what their elders have worked out. On the contrary, he attached importance to theoretical work among young people, recommending that they cultivate a consistently socialist outlook and familiarize themselves with Marxism.

Lenin insisted that the young must work for themselves, independently. "Any inter-

ference by the Party in the organizational building of the working youth should not take the form of patronage," says the resolution of the VI Bolshevik Party Congress.

Ideological work putting the socialist youth organizations on correct theoretical ground was given pride of place by Lenin in an article in 1916: "... there falls on the League of Socialist Youth Organizations the tremendous, grateful but difficult task of fighting for revolutionary internationalism, for true socialism and against the prevailing opportunism which has deserted to the side of the imperialist bourgeoisie."

The independence of youth leagues is posited as a principle. It would be inconceivable to develop real socialist fighters without that principle, and without it the youth would not "prepare itself to lead socialism forward."

Again, Lenin lays the accent on frankness and honesty between young and old, meaning independence for the young, on the one hand, and for the old complete freedom to criticize them, and particularly never to flatter them, on the other.

In a speech to the Third All-Russia Congress of the Young Communist League in October 1920, Lenin called on the young people to learn and educate themselves in order to build communist society. He told the youth that the new society for which they were fighting would be built on the knowledge accumulated over the centuries. "If the study of communism consisted solely in assimilating what is contained in communist books and pamphlets," he said, "we might all too easily obtain communist text-jugglers or braggarts."

There can be no question of scorning past experience: Marx could create his works of genius only after he had assimilated all that science had produced before him. Lenin was against cramming, and enjoined the youth to think for themselves. What trust and what a challenge for the youth to engage in creative work!

Lenin pointed out that emancipation of the working youth and the students is inconceivable without their combining with the revolutionary struggle of the workers and peoples of all countries for the new society that liberates man, for communism. That is why Young Communists and young workers have good cause today, on the occasion of the centenary of Lenin's birth, to pay tribute to that incomparable theorist and fighter.

It is necessary, therefore, in 1970 to organize colloquiums and discussions in all

countries, to publish and reprint books about Lenin and the youth, and to see to it that films and photographic and art exhibitions are shown. That will bring home to the youth the international significance of the Russian revolution, of triumphant socialism in the USSR, the validity of Lenin's ideas, and the soundness of Marxist-Leninist theory, equipping the youth for remaking the old world of exploitation, oppression, plunder and crime.

The splendid Soviet film, *The Sixth of July*, now showing in France and sparking fruitful discussions among young people, is a model of how the story of Lenin's political struggle, how the struggle against revolutionary phrasemongering, can benefit the youth.

FIRST CONGRESS AND PROGRAM OF THE YCI

In November 1919 the First Congress of the Young Communist International was held in Berlin, attended by 19 delegates from Russia, Germany, Italy, Sweden, Norway, Switzerland, Austria, Poland, Hungary, Rumania, Spain, Denmark and Czechoslovakia, representing 210,000 members of national youth organizations.

Apart from being the culminating act in the founding of the YCI, the Congress was highlighted by the adoption of a program. Repeating one of the basic theses of the First Congress of the Communist International, the program said that the task of the working class of all countries was to fight for the overthrow of the economic, political and spiritual domination of capitalism and to achieve the victory of the working class.

Three points were set out in detail:

1. The conditions of working people, especially the situation of the youth, under capitalism. Since the working youth is a part of the working class, the need for special political youth organizations was affirmed in the program for the following reasons:

a) the situation of the youth in the process of production and in society impels it to fight for its own interests (reorganization of labor—reorganization of schools);

b) the psychological features of the youth (prevalence of emotion over reason, ease of perception, enthusiasm for new revolutionary ideas and dedication in action);

c) special methods of the socialist and revolutionary education of the youth (profound work by the young and for the young, active participation in political actions,

learning all methods usable later as soldiers in the class struggle and leaders of the revolutionary movement).

2. The ideological struggle.

The program laid emphasis on combating bourgeois parties and their ideologies, as well as reformism and anarchist views.

It is the purpose of the organizations of young Communists, the program said, to train conscious fighters in the class struggle and, later, good builders of communist society.

3. The relationship between the parties and the youth organizations.

According to the program this relationship should follow two basic principles: Autonomy of the youth, close contacts and mutual aid, since the YCI ranged itself with the Communist International and formed a part of it.

At subsequent congresses, this basic program was finalized and corrected, particularly with regard to the economic struggles, anti-militarism and defense of soldiers, and questions of structure and organization. The more important amendments concerned the following:

a) the relationship between the Communist parties and the youth leagues. The 1919 program pointed out—and rightly for its time—that the working youth are the most active and revolutionary section of the working class. That is why the relationship between the Party and the youth organizations was defined as taking the form of close contacts and mutual aid. The amendment was doubly necessary, because the youth movement was confronted by vanguardist and sectarian trends, stimulated by Trotsky and his followers, who tried to lean on the youth, flattering it and urging it against the Party.

The struggle against Trotsky and his group was fought out not only in the Communist International, but also on a national scale in the youth organizations. This was the case in our Party and in our Communist Youth Federation when we came to grips with the Barbe-Celor group, its sectarian activity, its vanguardist postures and its factional work in the Party.

b) At the time of its establishment the YCI was, in effect, an European organization; later it became worldwide.

The struggle in the colonial and semi-colonial countries, of which the Berlin program made no mention, naturally became one of the most important areas of YCI work and, consequently, a prominent subject in its subsequent documents.

It seems proper here to cast a glance at

the work of the Fifth YCI Congress and its decisions, which were discussed and expanded by a meeting of the Comintern Executive Presidium in March 1929.

FOR MASS COMMUNIST YOUTH ORGANIZATIONS

The Congress called for building mass Communist youth organizations.

Every Communist youth league, it said, being the vanguard of the working youth, had in its ranks above all the advanced revolutionary elements. But this was no longer sufficient. The movement, it said, must unite in its ranks large sections of the working youth, for which reason the relationship between the Communist youth league and the mass of working youth should not be one between a narrow vanguard, an organized elite, and the rest. The youth must be in the leagues, where they would get a communist education under the guidance of the more advanced elements, that is, above all Party members working in the youth leagues.

On no account should a league of Communist youth resemble a "Communist Party for the youth." Its educational tasks and the nature of its educational organizations explain the difference in methods and purpose, following from certain characteristics of the young people.

It was also stressed that the YCI was the heir to the Youth International founded in Stuttgart in 1907, the successor to the finest elements in the history of the world labor and youth movements.

The Fifth Congress decisions said that the vital task of the Young Communist League was to combat imperialist war, and that before the working class won power, the League should also devote itself to fighting for the partial demands of the working youth, the vital and urgent requirements of the masses. This brought home to the youth that exploitation and capitalism must be ended.

The fact remains, however, that despite efforts to broaden their scope, the Communist youth leagues, excepting the Soviet Komsomol, were for years limited in numbers and influence. In them reigned a narrow-mindedness and a sectarianism, which, in fact, were also displayed by the Comintern and YCI leadership.

Not until the Seventh Congress of the Comintern and the Sixth Congress of the YCI was the orientation of the Communist youth organizations rectified, which helped

them grow into mass organizations with a policy oriented on the masses, on unity.

The weaknesses of the youth organization stemmed largely from mistakes made by the Comintern, particularly the latter's underestimation of the fascist danger, its negative attitude, in effect, to a united front with the socialist parties and its lack of interest in the national policy of the parties and their independent activity as national contingents of the International.

However, the very positive factor of that period was the progress achieved in developing cadres in the Leninist spirit and, particularly, the spirit of rejecting imperialist war. For many organizations and activists, the Communist youth leagues were a school of internationalism.

This is true of the French Communist youth organization which, though it never had more than 10,000 members throughout that period, succeeded in organizing mass manifestations, above all youth actions together with the Party in solidarity with the Russian revolution, against the intervention and blockade of Soviet Russia, for aid to Russia, particularly during the 1920-1921 famine, and for fraternization with the Russian working class by the French soldiers and seamen of the 40-thousand-strong expeditionary force and fleet in the Black Sea. The fight then put up by the soldiers and seamen with the support at home of the working class and a large section of the youth, was a truly great fight. It was a fine victory for proletarian internationalism, the importance of which for the October Revolution was repeatedly stressed by Lenin. The joint struggle of the French and German youth and organization of fraternization between the French soldiers and German workers during the Ruhr occupation, the campaigns against the colonial wars in Morocco, Syria and Indochina, were also schools of internationalism.

Thus, despite weaknesses and mistakes, we are farthest from the thought of depreciating that period as some are inclined to do; we regard it as fundamentally positive, because it enabled us to organize Communist youth leagues in many countries and to train tens of thousands of cadres who stood up honorably to the tests of the 'thirties, in the fight against fascism and war.

NEW ORIENTATION: LEAGUE OF THE YOUNGER GENERATION

The Seventh Congress of the Communist International (July-August 1935) convened

two years after Hitler fascism had come into power in Germany, when reaction and fascism were in evidence in many other countries, but also an anti-fascist counter-offensive was unfolding, especially in France, thanks to the united labor front and the alliance of the anti-fascist forces, the Popular Front.

Millions in the capitalist countries asked how fascism could be barred from coming to power, and how to drive it out where it had won? The answer was provided by the Seventh Comintern Congress: The first thing that has to be done, with which it is necessary to begin, is to create a united front, to establish united action by workers. "United action by the workers on a national and international scale—that is the powerful weapon which enables the working class not only to defend itself successfully, but also to go over successfully to the counter-offensive against fascism, against the class enemy."

This new orientation permitted an entirely different approach to the youth problem, first in Comrade Dimitrov's report and then in an intervention by Comrade Otto Kuusinen, devoted to the unity of the younger generation.

In the debate, Comrade Gil Green (USA) spoke of the experience of young Communists working in mass organizations; speaking on behalf of France, I invoked the progress achieved in my country under the slogan of unity, with the youth fighting alongside the working class and the people against fascism in order that lessons could be drawn from the experience of the French youth.

The resolution on Comrade Dimitrov's report contained a special passage on youth problems. Congress stressed the extremely important role of the youth in the struggle against fascism, and pointed out: "Acting against the underestimation of *mass work among the working youth* and taking effective measures to overcome the restricted character of the organizations of Young Communists, the Communist parties should in every way promote the unity of all non-fascist youth organizations . . . on the basis of a broad united front . . ."

The Sixth YCI Congress in September-October 1935 was wholly devoted to this subject. The address by Comrade Dimitrov said that the Seventh Comintern Congress had devoted special attention to the youth movement. Dimitrov also pointed out that fascism and the acute threat of an imperialist war could and must be opposed by the

unity of all anti-fascist forces and, first and foremost, the unity of the entire younger generation of working people. This was inconceivable, Dimitrov stressed, if the youth leagues continued to follow the old pattern of "Communist parties of the youth" and confined themselves, as before, to a life in isolation from the masses. Dimitrov then cited the success of the youth organizations in some countries, notably France and the United States.

Thinking back to that important period in the history of the international youth movement, I cannot help recalling with what infinite patience and concern Comrades Kuusinen and Manuiski, and Comrade Georgi Dimitrov, of the Comintern leadership, and Comrade Alexander Kosarev, leader of the Soviet Communist youth, worked for the victory of the new line.

May I be allowed, therefore, to pay them tribute and express my gratitude for all that they did at that time to orientate and develop the Communist youth movement. I add my personal sentiments, because at the Sixth Congress I was entrusted with the general secretaryship of the YCI, a responsibility that I carried until the day the Young Communist International was dissolved.

The last time I saw Comrade Dimitrov was in 1941 when we discussed the work and future of the YCI. I had come from France after the national disaster in June 1940 and saw how the heroic Soviet people rose against the Nazi menace in June 1941. For three months I took part in mobilizing the people of Moscow and saw the men going off to the front while women, older men and children defended the city against air-raids, especially incendiary bombs, and dug trenches and fortifications around Moscow. After my last talk with Comrade Dimitrov, I returned to France to join the Resistance Movement. I returned via Archangel, which I reached on November 7, 1941. I recall that in those days, as I was leaving that city, I was certain of victory: Hitler's armies were suffering setbacks at Moscow, and beleaguered Leningrad was holding out.

AFTER THE SIXTH CONGRESS

After the Sixth YCI Congress, the French Communist Party, through Maurice Thorez, aligned the tasks of our Party and the Communist youth with the orientation approved by Congress. Taking note of the Party's counsel, the Federation of French

Communist Youth began to reorganize itself. Cells gave way to circles, which often had their own premises, wide open for the local youth, the youth from the factories. The reorganization, coupled with a variety of initiatives, saw our Communist youth organizations expand rapidly.

Our policy of broad alliances, centered on young people of different convictions, did not at first evoke the necessary understanding; it was met with distinct restraint, particularly by leaders of the Socialist Youth (which had some Trotskyite elements), who tried to justify their attitude by professions of "loyalty" to the class spirit. But in due course the new policy won over more and more people.

In June 1936 the Communist youth took part in the powerful wave of strikes and in various other workers' battles. The resulting social gains paved the way for positive changes benefiting the youth.

The French Communist youth, faithful to the traditions of Dimitrov and the YCI, took the lead in the movement of solidarity with Republican Spain and in the fight for peace. It organized aid to the Spanish Republicans and secured the participation of the Socialist Youth in a solidarity commission, collected food and medical supplies, which solidarity ships transported to Spain. Besides, many Young Communists, among them several members of the Central Committee, joined the International Brigades, with many laying down their lives at Madrid and on the Ebro. Also, the youth stepped up their struggle for peace, against the war policy of the fascist states.

The reorganization was designed to champion the specific aspirations of the young people, and it was pleasing to note that in a few months we witnessed an influx of new members, the pattern of the Communist youth organizations changing considerably. The weekly, *L'Avant-Garde*, became an important organ of the anti-fascist working youth, its circulation climbing to 250,000. When our membership surpassed the 100,000 mark in 1937, we formed the League of French Girls and, later, the League of Young Farmers in response to the specific problems of the various sections of the youth.

The movement for international youth unity made good progress. In June 1935 a delegation of unemployed youth from various European countries gathered in Geneva to submit demands to the International Labor Office. Young Swiss workers organized a street demonstration to accom-

pany the delegates to the League of Nations. At the head of the demonstration the youngsters carried the banners of the Communist and Socialist youth Internationals. I had the good fortune to represent the YCI, while Erich Ollenhauer represented the Socialist Youth International, of which he was the secretary. The Socialist youth leaders in Switzerland and France took part in the demonstration.

At Vassar College near New York a world youth congress for peace convened on August 15, 1938, with 54 countries and 14 international organizations, representing 40 million young people, including those of the YCI, attending. It was a highly representative congress, with more than 2,000 delegates from all continents, including from many Christian organizations. The fight against fascism and war, for the demands of the working youth and students, was thoroughly debated, and several resolutions were drawn up as well as an Appeal to the Youth of the World. One of the important points in the debate was whether the religious-minded and atheists could work together. The answer, it may be recalled, was affirmative, which, for that time, was nothing short of a breakthrough.

For me one of the most exciting recollections was the merger of the Socialist and Communist youth organizations in Spain. Santiago Carrillo was the leader of the Socialist Youth, and Trifon Medrano, who later died in battle, headed the Communist youth movement.

The United Socialist Youth covered itself with glory in the Spanish war, and succeeding to its glorious traditions, the Spanish youth of today is in the van of the struggle against the Franco dictatorship.

Both organizations asked the two youth internationals, the YCI and SYI, to send their delegates to the conference at which their merger was formalized. I was appointed to represent the YCI, but despite heated discussions among the SYI leaders they sent no one. However, the Socialist Youth of France, Belgium's Socialist Young Guard and socialist youth bodies in other countries hailed the inauguration of the alliance of the revolutionary Spanish youth.

In sum, the Seventh Comintern and Sixth YCI congresses materialized in important acts, forging the unity of the Communist and Socialist youth and generating united action against fascism and war. And in some capitalist countries, for one thing in France, reaction and fascism were forced to retreat.

SCHOOL OF COURAGE AND LOYALTY

An important change occurred in the international situation after 1938. Munich, approved by the Socialist parties of Britain and France, greatly increased the danger of war. This was a blow to the movement for anti-fascist unity, which had been making good progress from 1934 to the autumn of 1938. Despite the heroic resistance of the Spanish people, the Franco dictatorship emerged victorious. In 1939 Hitler and Mussolini ignited the world war.

The Second World War began with Hitler's assault on Poland. This ushered in one of the most difficult periods in the history of the labor movement. The war was the result of the acute sharpening of the contradictions inherent in the imperialist system. The exploiters in different countries were bent on redividing the world. Moreover, war presented an opportunity to suppress the labor movement in the belligerent countries and, naturally, it was disavowed by the Communists and by the Communist youth.

However, unlike 1914, the inter-imperialist contradictions were no longer the sole political factor. A deep-going contradiction had appeared since 1917 between the two social systems. Consequently, the Second World War was not only an imperialist war, for this time one of the warring camps consisted of a group of fascist states led by Hitler in alliance with Mussolini, Franco and the Japanese militarists.

The Comintern and the Sixth Congress of the YCI had stressed the menace to civilization of the ultra-reactionary dictatorships. Due to fascism, the conflict that broke out on September 1, 1939, contained from the beginning the objective seeds of a just war of liberation, a war of the peoples against reactionary brutality, for progress.

Nazi Germany's aggression against the Soviet Union and the fact that the Soviet Union was embroiled in the war on June 22, 1941, completed the evolution of that war into a distinctly anti-fascist war. From then on, the Soviet Union was in the van of the armed effort of the peoples to defeat the fascist aggressor and liberate the occupied countries.

The balance of world forces made it impossible to avert the Second World War. But the success attained by virtue of the Comintern and YCI Congress decisions in hammering out militant anti-fascist unity and building up a powerful worldwide movement against war and fascism grew

over into the unity of the Resistance Movement during the Hitler occupation.

The Comintern was a school of courage and devotion, of fervid love of country and of all peoples fighting for their freedom and independence, a school of boundless loyalty to socialism and communism, the future of mankind. A school of internationalism, it forged the alliance of the youth and the working class.

Winding up together with the Communist International on June 1, 1943, the Young Communist International left a legacy of incalculable value, which enabled us to write new chapters into the history of the youth movement. After the historic victory of 1945 that movement experienced a powerful uplift.

Socialism is stronger today, while imperialism is weaker. It is now possible to avert war and to blaze new trails to the victory of socialism on a world scale. The youth in the capitalist countries cannot escape the impact of the fact that one third of mankind, having got rid of capitalist exploitation, lives under the new economic and social system existing in the Soviet Union and other socialist countries. The young people's interest in communism is growing.

Nowadays the young people of the world, the population of which is nearly 50 per cent under 25 years of age, are more responsive to the grand political battles of our time. That we witnessed in France in May-June 1968. Their political consciousness and, hence, participation in the struggle are of a higher order.

As indicated in the Document of the International Meeting of Communist and Workers' Parties (June 1969), "the Communists think highly of the upsurge of the youth movement and actively participate in it. They propagate in its ranks the ideas of scientific socialism, explaining the danger of various pseudo-revolutionary ideas, which could influence young people, and seeking to help young people find the right path in the struggle against imperialism and for defense of their interests. Only close unity with the working-class movement and its Communist vanguard can open for them truly revolutionary perspectives."

To the well-known features typical of the youth, new elements can be added, stemming from the changes in the material and social realities, and which, in turn, influence the attitude of the youth. That is certainly the case in France. The numbers of young people have increased since the war. Psy-

chologically, young people are more mature as compared with the past younger generations. Their experience is richer and more complex. The spread of learning has enriched the knowledge of the youth. Modern means of disseminating culture and the various aspects of national and international life place the world within closer reach of all, although information and culture, are, in effect, emasculated.

These features of the youth are at loggerheads with the conflict-of-generations theory. Though Marxists are farthest from denying the distinctions that lie between the generations, they refuse to supplant the class struggle with the so-called conflict of generations. This issue is viewed from different angles, depending on the social background. Working class youth and adults are in the same position from the standpoint of their place in production and in relation to other social strata. More or less, they strive for the same radical reconstruction of society. The difference between the youth and adults is more tangible among the small and middle bourgeoisie, who are often conservative. True, sometimes the youth and adults take joint action against

monopoly rule, which is ruining these classes.

In sum, distinctions between generations are undeniable. They stem from the changes in the economic and social basis, and from the specific perception of the swiftness and scale of these changes, and from the reactions they evoke.

In order to assess the distinctions, we should bear in mind that, despite its specifics, the youth does not exist in isolation from the social classes and strata, that it does not comprise a social class and is not spontaneously revolutionary. The revolutionary potential is measured not by the age of the individual concerned. Capability in revolutionary struggle derives from a long and arduous moulding of class consciousness.

The torch of proletarian internationalism, freedom and peace, held aloft by the Socialist Youth International at the time of its founding, later picked up and carried forward with glory by the Young Communist International, is now in the new conditions borne with merit and in different ways by the World Federation of Democratic Youth.

Gandhi and Indian revolution

SHRIPAD AMRIT DANGE

On October 2nd, 1969, our country observed the birth centenary of Mahatma Gandhi, the leader and founder of the independent statehood of India.

He was one of the greatest leaders of the anti-imperialist movement in India and led the people in their revolutionary struggles for freedom and independence.

Here is a great life, a great leader, a hero of history, who led the masses, organized them, disciplined them and put them to battle against the alien rulers and their Indian allies of the princely order. Here is a man who made history, from the year 1919 till 1948, when he was felled by the hand of a foul assassin.

At the time of his birth, India was still mourning the fallen heroes of the 1857 war of independence and the aftermath of In-

dia's defeat. Born twelve years after that great struggle, the child was brought up in a well-to-do, pious Hindu family. Family fortune helped the young Gandhi to imbibe the best of education in London, the very heart of the British empire, and cast him forth as the loyal practitioner of British law.

But when he went to South Africa and practised that very law for the benefit of the oppressed Indians there, all the notions of equality and equity vanished into thin air before the racial arrogance and batons of the white ruling class. There he learned the first lessons of struggle for equality, of human dignity and opposition to racialism. And yet he remained loyal to the empire, which at that time, according to him, represented civilization, justice and progress. So,

when the First World War broke out, Gandhi was a loyal servant of the empire, recruiting India's young men to defend the empire and differing with Lokmanya Tilak, who refused to work for defense, unless his demand for Home Rule was granted.

At the end of the war, when people began to clamor for freedom and national independence and the British rule began to suppress the people's demands, first with draconian laws like the Rowlatt Act and next with horrid massacres and mass murders as in the Jallianwala Bagh and the bombing of peaceful towns and villages in rebellious Punjab, the loyalist in Gandhi, the practitioner of British law and believer in British justice, was transformed into a determined angry rebel.

With a mighty sweep of his imagination and a great overwhelming anger against the oppressors, he shot forth as a great commander of the mass movement. He said that the British government was a satanic government and called for its total destruction. There can be no compromise with Satan and evil, as he put it.

He wielded and used the weapon of all-India "hartals," the forerunner of today's "bandhs," to unify, discipline and move into action millions of men throughout the country. He brought millions onto the streets with the slogans of boycott and picketing, which led to militant clashes with British authorities and their forces of law and order. From school children to grown-ups, from rich men to the poor peasants, he called on them to non-cooperate with the British government and to topple it by the gigantic will and action of the unified people of India whom he called upon to refuse to work for it, pay for it, learn from it or obey it. And he built the Indian National Congress as the platform and organ of the national front of the Indian people, including all the classes that desired freedom and concrete action for freedom.

He also added to the armory his personal fasts, sometimes risking his own life, in order to rouse the masses to action or sometimes to correct their wrong action (as in Hindu-Muslim riots) or to arrest the deviation of his followers. This personal weapon did work, though not always, because of his tremendous revolutionary prestige and integrity.

In his struggle in Champaran, his first one in India, he saw the Indian peasant at close quarters and also the British planters' oppression. There he made the British re-

treat by a determined stand against the indigo planters' terror and oppression. In leading the strikers of the Ahmedabad mills in the immediate postwar period, he had seen the workers, their capacity for sacrifice and sufferings and struggles, as well as the enormous avidity and selfishness of the millionaires, whom he hoped to mollify and soften by his own and the workers' suffering "God's will."

Mahatma's life and thinking illustrate the Marxist proposition that great men's ideas alone do not make history, though they play an important part in it; that these ideas also spring from the objective law of social development, and if they run counter to it instead of serving it, they are summarily rejected by the masses and history.

Mahatma Gandhi wanted to rebuild modern India on the basis of his own conception of society, which in essence represented nothing but the basic concepts and organizational pattern of medieval Hindu India. He had outlined them in his book *Hind Swaraj*, before he became the leader of the Indian revolution.

He wanted a social economy based on the old means and mode of production, i.e., the spinning wheel and the bullock-cart, the varnadharma, without untouchability. He wanted the wealth of the millionaires to be left to them in trust and contradictions and antagonism to be settled through "Ahimsa" (Non-Violence), change of heart of the wrong-doer, by the suffering of the wronged. He was also opposed to war of any kind.

During his very life, all these ideals of his were negated by the march of history and the Mahatma, the realist that he was, reconciled himself to it.

Take the famous dictum of non-violence as the precondition of every mass or individual action. When he was preparing for action to overthrow the government in 1920-21 and wrote in *Young India* those famous roaring challenges of "Lion Shakes the Mane" and the "Dance of Death" to the British empire, the Chauri Chaura peasants killed some policemen who had fired on them. Immediately, Mahatma Gandhi called off the movement, and walked to the prison. The empire, which was in suspense, felt relieved, the masses felt discomfited and defeated. The nation suffered a great retreat. Imperialism attacked, disrupted and shattered the revolutionary advance, by fomenting dissensions and Hindu-Muslim riots and what not.

Mahatma Gandhi realized with horror the mistake of his tactics and how the

enemy had taken advantage of his "Ahimsa."

The masses never accepted his precondition of "Ahimsa." Thus you find later on in history that whenever the masses became restive and the Mahatma launched the great movements of 1930, 1942 and 1945, though he called for observance of "Ahimsa," he never made it an absolute precondition and never called off the struggles merely because the masses retaliated against the "leonine violence" of the oppressors with counterviolence.

The British pleaded with him to stop the violence in those years and twitted him on his failure to adhere to his high principles, but he refused to react and blunder again as in 1912. Violence and non-violence ceased to be the decisive and determining factor in his line in 1921, though he continued to preach as before.

The masses taught the Mahatma and he learned from them that the violence of the state power cannot always be met by non-violence, that the masses did not bother to quibble about ends and means. They did not think that the noble "ends" of freedom are incompatible with so-called "ignoble means of violence" though it did not mean that violence alone and always, under all conditions, was a necessary accompaniment of the revolution. In the final analysis, the initial source of violence is the state power of the ruling class of exploiters. Violence begins with them and ends with their end.

His trusteeship theory also met the same fate.

Christ drove the moneylenders from the temple of Jerusalem, and they came back. Buddha banned his followers from even having more than two pieces of cloth. But before his very eyes, his princely disciple murdered his father for the throne.

Similarly, big millionaire followers of the Mahatma fired on the workers when they asked for a pittance from the great profit-hoards of these "trustees." And to atone for their sins, they all built temples.

If you look at the big uproar that has gripped India today against the baneful power of the big monopoly houses and the seventy-five "trustees" of India's wealth, you can imagine what has happened to the trusteeship theory.

The dream of Mahatma Gandhi of resurrecting medieval India from the evil of modern machinery not only did not come true, but the Mahatma himself later, in 1929, when defining the substance of "Swaraj" demanded protection for Indian in-

dustry and a good exchange rate for the rupee. The people demanded more industry and not a return to a backward past, however idyllic it may have sounded in fiction and poetry.

So his idyll of the village-India of bygone age also suffered a complete wreck.

It was tragic to see the agony of the great Gandhi at the fall of his ideological dream-castle—except the one that was objectively ripe for realization in India and elsewhere in the world, that is, the struggle against imperialism and the victory of the forces of national independence. That alone sustained him and won him loyalty and love of the masses, despite the shipwreck of all his pet schemes and whims, for which neither the people nor history had any use.

On his birth centenary, the outstanding quality of the Mahatma that all the oppressed masses must remember, is his intense opposition to imperialism, his intense attachment to the organization and active resistance of the masses, his intense hatred of all that is oppressive, degrading and unhuman.

As a far-seeing man, he made Hindu-Muslim unity the key slogan of India's political and social unity to resist imperialism and foil its tactics of dividing the Indian people.

Even when he was alive and led the Congress, there were many, like the Communists, the Congress Socialists and others, who differed with him, his philosophy, some of his class alliances and his methods. Yet they all worked in the great national front, then symbolized by the Indian National Congress, that the Mahatma had built mainly as the organ of mass action and leadership for achieving independence.

As differences grew on methods of struggle and questions of tactics, the conservatives of those days demanded a ban of new schools of thought and new parties being allowed to remain in the Congress and the movement.

But Mahatma Gandhi refused to countenance the banning of parties and groups from the Congress on the ground of such differences. He not only fought conservatism but also combated the love for office and power among his followers and exposed their corruption wherever he found it.

Mahatma Gandhi's admiration for Tolstoy, the great humanist, democrat and anti-imperialist of Russia, led him to wish well of Russia when he heard of the 1905 Revolution and though he did not like the atheism of the Bolsheviks, he did not join

those who denounced, in company with the imperialists, the Great October Socialist Revolution of 1917.

Despite the look of obscurantism which many of his actions and ideas might have assumed, Mahatma Gandhi was one of the greatest anti-imperialist fighters that the world produced, one of the greatest humanists that mankind had raised in history, and, of course, one of the greatest leaders of the Indian revolution for freedom and independence.

It is these things which should rouse all of us to celebrate the centenary of his birth in such a way as to revive revolutionary memoirs of those who fell in fighting for freedom, in fighting against racialism, against inequality and oppression, against division and disunity of the people and for purity in personal and public life.

It is necessary to revive his militant defiance of the octopus of the state power and wealth, his defense of the dignity of man, especially the poor, the "Daridranarayan" and oppressed. He stood for dignity of labor, above all, to symbolize which he "spun" every day.

Today, all of us, developing further the inheritance of independence, must fight for socialism, which alone will be the final negation of the power of millionaires and assertion of the power of the working millions, who live by labor of the hand and brain in the fields and factories of free India.

Mahatma Gandhi was born in 1869 when the forces of India's war of independence were in retreat, when the looming shadows of the Franco-German War were cast on Europe, from which imperialism blossomed forth and blighted the whole world.

But when he died in 1948, imperialism was in retreat, one third of the world had become socialist, and the colonial empires were crumbling. He played a great part in the anti-imperialist revolution in a very crucial theatre like India, until a foul assassin felled him with the evil intent of holding up India's further march to progress and democratic revolution.

And it is but proper and historically correct that chronologically, this centenary year of the birth of Mahatma Gandhi also ushers in the centenary year of the birth of Lenin. It is symbolic of the fact that the great humanist, social reformer and anti-imperialist revolutionary fighter and unifier of Indian people, Mahatma Gandhi and his birth centenary should be followed by that of Lenin, the founder of the first socialist state in the world and leader of that revolution, which ushered in the epoch of socialism-communism, the epoch which is to abolish all exploitation of man by man, abolish all casteism and communalism and harness the energy of nature and labor power of SOCIAL MAN and his machines, for leisure, culture and intellectual and philosophical pursuits for all mankind and which so long have been the privilege and preserve of only a few.

Truth about the Reichstag fire

New interest was aroused recently in the Reichstag fire in the evening of February 27, 1933, thirty-seven years ago, in the early months of Hitler's rule as Reichschancellor. The fire was planned in minute detail; it was only beginning to spread when the Fuehrer appeared before the building to expound on the Communist "crime" and to exhort all "good Germans" to revenge.

The Reichstag fire was needed to give the Hitler regime an excuse for savage reprisals against the Communist Party of Germany, against all progressives and those who refused to accept the Swastika. Emer-

gency legislation was rushed through. Hundreds of thousands of Communists, workers, farmers and intellectuals were herded into prisons and concentration camps.

But the design was even more far-reaching. The Nazis were poised for an offensive against communism in general, against the ideas of Marx, Engels and Lenin.

The underlying purpose was to strike at the world Communist movement. In March 1933, they arrested Georgi Dimitrov, leader of the Bulgarian Communists, and his comrades, charged as accomplices of the men-

tally deranged Dutchman Van der Lubbe.

The Leipzig trial was designed to prove the Communist "crime." But it backfired and became a trial of fascism. For Hitler the proceedings in Leipzig proved a total failure. If the Reichstag fire was the first large-scale Nazi provocation, the Leipzig trial was the first Nazi defeat, inflicted by the dauntless courage of a splendid Bulgarian Communist supported by Communists and progressives all over the world. In December 1933 the Nazi court had no choice but to pronounce Dimitrov and his comrades not guilty.

The German Communists, it will be recalled, lost no time in getting at the facts, showing that the fire was organized by the shock force of reactionary imperialism. In its statements the Communist Party exposed the frame-up and called for resistance.

Men and women of the older generation, those who survived the ordeal of the Second World War and who took part in combating fascism, will recall the famous Brown Book*, a compilation of eyewitness accounts published by anti-fascists after the fire. Beset by dangers, the German Communists driven underground and thousands of nameless heroes compiled the facts one by one, producing the true sequence of events.

Years later the Nuremberg War Crimes Trial confirmed that the Reichstag fire was kindled by the leaders of the Third Reich, though many aspects of the case still remained unclarified, which the neo-Nazis and reactionaries in the Bonn state exploited.

In 1962, for example, Fritz Tobias, a high-ranking official of the Lower Saxony administration, maintained in his book that Van der Lubbe had acted on his own in setting fire to the Reichstag, a version promptly supported by the British historians Allan Taylor and Hugh Trevor-Roper, and by others.

By now, however, this interpretation has become untenable. The European Committee for the Scientific Investigation of the Causes and Consequences of the Second World War, set up in 1968 with permanent headquarters in Luxembourg and beyond all possible suspicion of any partiality for communism, with Willy Brandt, now FRG Chancellor, and Andre Malraux, once France's Minister of Culture, as Honorary

*Braunbuch ueber Reichstagsbrand und Hitler-Terror (Brown Book on the Reichstag Fire and Hitler Terror), Basle, 1933.

Presidents, held a symposium last April to compare notes on the Reichstag fire, calling on all persons with pertinent information to come forward.

Of the more than 40 testimonials received in response to the appeal, seven had not previously appeared in print, among them those of some former prominent Nazis.

The Committee arrived at the conclusion that the crime was committed by the Nazis. It announced that it had hundreds of pages of eye-witness accounts at its disposal, none, it is true, from anyone directly implicated in the fire, since all the members of the group of incendiaries that entered the Reichstag by an underground passage had been bumped off. Yet it is established that the firebrands gathered in the basement of Goering's palace opposite the Reichstag 48 hours in advance to rehearse the fire. A special group entered the building first to place highly inflammable chemicals at strategic points and thus ensure the rapid spread of the flames, followed by a second group that dragged Van der Lubbe into the building and then set fire to it. Ample evidence of this is contained in eye-witness accounts.

An investigation by the Thermodynamics Institute of Berlin Technical University proved that a fire on that scale could not have been the work of one man.

The press conference at which the Committee announced its findings, took place on Friday, October 17, 1969, in the Paris Hotel Lutetia, where the Gestapo had its headquarters during the Nazi occupation. And it is satisfying to note, too, that the building that once symbolized the man-hating fascist regime at last heard the truth about one of fascism's monstrous crimes.

Speaking at the press conference, Jacques Delarue, a French historian, said: "First, the order to set fire to the Reichstag was issued personally by Hitler. Second, the two men who, in effect, carried out the order were Goebbels and Goering. In fact, Goebbels suggested the plan to Hitler. Third, of the Nazi leaders Wilhelm Frick, Minister of the Interior, the Fuehrer's adviser Hans Franck and Alfred Rosenberg, were previously informed of the intended action. Practical matters were entrusted to Himmler, SD Chief Heydrich and Daluge, head of the Berlin SS. Fourth, Daluge enlisted the services of Rudolf Diels, then heading the organization that later became the Gestapo."

Delarue declared that two high-ranking SS officers, lawyer Heller and physician Conti, were instructed to prepare charges

for the trial some time before the fire and to exercise the necessary control.

Van der Lubbe was not allowed to see anyone after his arrest. He was completely cut off from the outside world. And he never repeated any part of his so-called confession, not even in the courtroom. No one, including his brother, was allowed to visit him before his execution.

Concluding his summary, Delarue recalled that the Nazi attempt "to include Dimitrov in the case ended in total failure." Dr. Eduard Calic, member of the Committee, stressed that, though lacking necessary information, the Bulgarian Communist leader "displayed precise intuition with regard to the truth."

Addressing the press conference, Pierre Grégoire, Chairman of the Committee and President of Luxembourg's Chamber of Deputies, stressed that his Committee, having collected irrefutable evidence, filled in many of the missing links in the story of the Reichstag fire provocation.

The lack of written proof of Nazi responsibility for the Reichstag fire was exploited after 1945 by apologists of the Third Reich in attempts to whitewash Hitler and his regime. This was pointed out at the press conference by Professor Walter Hofer, Director of Berne University's Institute of History. Yet it is a firmly established fact that Dimitrov and his comrades, who turned the tables on the organizers of the Leipzig

trial, were entirely innocent and, what is more, that Van der Lubbe was too. The order to set fire to the Reichstag emanated from high Nazi quarters and was carried out by a special SS and SA team.

The Committee plans to publish its material about the fire and the Leipzig trial in a book. Its investigation has filled in many of the blanks left by the Nuremberg war crimes trial.

The findings of the Committee are instructive. They show that truth triumphs, no matter how refined the disguises used to hide it. It was more than three decades before an organization composed of authoritative bourgeois politicians and scientists at last acknowledged the case made by the Communists years ago. Provocation, a facile instrument of anti-communism, is far from being a dependable one.

In 1933 Goebbels, one of the organizers and the stage director of the Reichstag fire and the man who fathered the idea, said in a eulogy of the "thousand-year Reich" that "in 50 years no one will remember the word 'Communism'." Yet in a matter of 12 years, in 1945, the year of the victory over fascism, the "thousand-year Reich," and Goebbels too, had ceased exist. Year follows year, the ideas of communism are forging ahead. They are, and they will be, victorious.

OTTO MUELLER

A valuable contribution

Lenin's name, his theoretical and practical work, are inseparably linked with the history of our age, with all the major revolutionary battles of the international army of labor, and with elaboration and implementation of the fundamental principles of the world Communist and workers' movement. Lenin's heritage, its meaning for the class struggle of the world proletariat, its relevance to the development of the world revolutionary liberation process, are analyzed in the collection of articles by leaders of the world Communist movement and Soviet scholars *Leninism and the World Revolutionary Workers' Movement*.*

The collection opens with articles by M. A. Suslov, Political Bureau Member and Central Committee Secretary, CPSU, "Leninism and the Revolutionary Refashioning of the World"; Waldeck Rochet, General Secretary, French Communist Party, "Lenin's Legacy and the Problems of the Revolutionary Workers' Movement (Lenin on Diverse Forms of Transition to Socialism and the Modern Workers' Movement)"; Walter Ulbricht, First Secretary, Socialist Unity Party of Germany, "Leninism and the Building of a Developed Socialist System," and Gus Hall, General Secretary, Communist Party U.S.A., "The Struggle Against Imperialism—a Common Task of All Communists, All the Revolutionary Forces of Our Time."

The working class in the van of the world revolutionary movement is the subject of a study by a group of researchers of the USSR Academy of Sciences Institute of the International Working-Class Movement.

These and other contributions add up to a searching analysis of the main factors determining the vast influence of the international working class and its main creation, the socialist world system, on every

facet of social and political life. Using a fund of factual material, much of it new, the authors reveal and explain the basic changes in the labor movement, with particular reference to the technological revolution. Much attention is paid to the strategy and tactics of the Marxist parties at different stages, the difficulties facing the movement and the setbacks suffered by some of its contingents.

Amplification of the basic political and theoretical concepts formulated in the Document of the Moscow Meeting, "Tasks at the Present Stage of the Struggle Against Imperialism and United Action of the Communist and Workers' Parties and All Anti-Imperialist Forces," and the Meeting's Address on the Centenary of the Birth of Vladimir Ilyich Lenin hold a prominent place in all the contributions.

Another prominent feature is the closely argued criticism of the anti-scientific theories of the "regeneration" of the revolutionary workers' movement, "deproletarianization" of the working class, its "integration" and "growing into" "neo-capitalist" society, and Right and "Left" opportunist revisionism of the Marxist-Leninist doctrine on the leading role of the working class.

The distinguishing features of the book are a scientific approach, partisanship and militancy. It follows the Leninist methodology of analyzing new phenomena and processes and their bearing on the socio-economic position of the working class, its political outlook and class consciousness and the basic directions and prospects of its revolutionary struggle.

This collective effort of Communist movement leaders and Soviet scholars deals with the basic problems whose solution is a precondition for the success of the workers' struggle for peace and socialism, and the earnest of continued unity of the international working-class vanguard on the principles of Marxism-Leninism and proletarian internationalism. The authors force-

**Leninism i mirovoye revolyutionnoye rabocheye dvizheniye*. Problems of the Struggle for Unity of the Proletariat and All Anti-Imperialist Forces. Moscow, Politizdat, 1969. 560 pp.

fully reassert the international character of Leninism, its corroboration by history and its permanent validity for the world Communist and workers' movement.

This volume is the first of a series being put out by the USSR Academy of Sciences under the general heading, "The International Working Class." And this initial volume appears shortly before the centen-

ary of Lenin, the founder of the first proletarian party of the new type, the organizer and inspirer of the victorious socialist revolution, the founder of the Soviet state, the brilliant theoretician and strategist of the world working-class and anti-imperialist movement.

V.V.

Policy of alliances of SUP of Germany

Society can be liberated from the domination of capital only if the working class is liberated. On the other hand, the working class cannot by itself vanquish capitalism without an alliance with the other forces of society. This dialectical interdependence, which the history of the class struggle has confirmed, underlies the policy of alliances—an important part of the revolutionary activity of the Communists prior to, and after the conquest of power.

The collective work *Together Towards Socialism. On the History of the SUPG's Policy of Alliances** published by the Institute of Social Sciences of the CC SUPG, tells of the policy of alliances, carried out by the German Communists. This is the first big research on the subject, covering the period from the liberation of Germany from fascism to our day. The book is based on Party documents and archive materials; it generalizes the results of numerous works on various concrete aspects of the problem.

The specific character of the policy of alliances in the eastern part of Germany, and later in the GDR, was determined not only by the concrete conditions in the country that arose on the ruins of a capitalist state with a fascist regime, but also by the fundamental changes on the international arena and particularly by the growing might of the forces of socialism. Of invaluable help to the German Communists was the Party's experience of struggle in the

previous years, as well as the experience of political alliances accumulated by the fraternal parties, and the CPSU in the first place.

The SUPG's policy of alliances passed through four stages after 1945, corresponding to the stages in the history of the first German socialist state.

At the stage of the anti-fascist-democratic revolution (1945-1949) the principal objective of the policy of alliances was accomplished, that of establishing an alliance of the working class with the working peasantry (with the active cooperation of the middle peasantry). While heading the anti-fascist struggle, the Communists formed an alliance not only with the working people but also with all those strata of society whose interests ran counter to the policy of the big monopolies. The Communist Party of Germany put forward a program of protecting the property of all working people. This formed the basis for the bloc of anti-fascist and democratic parties. The National Front, which included both political parties and mass organizations, was broader in character, subsequently gaining in strength in connection with the People's Congress for Freedom and a Just Peace movement.

During the years of transition from the anti-fascist-democratic revolution to the socialist revolution and the laying of the foundations of socialism (1949-1955), the alliance framework was still further broadened. The emphasis was on strengthening the alliance of the working class and all

*Gemeinsam zum Sozialismus. Zur Geschichte der Bündnispolitik der SED, Berlin, Dietz Verlag, 1969, 507 S.

working people, including the intelligentsia. The authors of the book write: "The balance of world forces and the concrete historical conditions enabled the working class and its party to draw not only all working people but even the small and middle employers and also the big peasants into the process of revolutionary reconstruction with the result that they, too, like the working people, actively participated in building the new social system."

At the stage of the struggle for the victory of socialist production relations (1956-1962), the working class strengthened its alliance with the middle peasantry which had taken the road of cooperation. In the process of socialist reconstruction, artisans, employers and persons of the free professions began to cooperate closely with the state. Also Marxists and Christians began to cooperate more closely. The National Front became a socialist people's movement.

The creation of a developed socialist society (beginning with 1962) predicates the growing role of the working class and its Marxist-Leninist party, closely associated with the socialist intelligentsia, cooperative peasantry and other strata of society. At this stage the objective of the working

class in respect to the other social classes and strata is to enlist their active participation in socialist construction, to harmoniously combine their interests with the interests of socialist society. This policy is carried out under the watchword: "You need socialism, socialism needs you!"

The success of the policy of alliances was made possible by the SUPG's ability creatively to analyze the concrete situation, to regroup its forces, change its slogans and forms of cooperation in good time. The policy of alliances was based on the following essential principles: voluntariness, recognition of the diversity of forms of transition to socialism, application of methods of persuasion and, if need be, administrative measures against forces seeking to restore capitalism, resolving major issues with the active democratic participation of all working people. This policy is conducive to profound economic, social and political changes in the camp of the allies of the working class, creating ever more favorable conditions for the active participation of the entire people in building socialism. The experience of the GDR graphically confirms the correctness of this policy.

G. PIROGOV

Dealing in anti-communism

The Frankfurt book fair 1969

The 1969 Book Fair in Frankfurt on the Main, displaying 208,000 titles, was widely reported in the bourgeois press. In the Federal Republic, more is invested annually in publishing than in the manufacture of cars, hence some newspapers preferred to comment on the financial aspects of the fair. Others concerned themselves with "spiritual" problems, wondering whether the novel is on the way out, whether technical literature is sweeping fiction out of existence.

Hardly any of the books on display could be regarded as a literary or commercial

success. The favorite, *Local Anaesthetic* by Guenter Grass, failed, despite all the advance blurbs, to head the list of durable bestsellers. The protective reaction of critical opinion proved stronger than the devices of the brainwashers, which should provide food for thought to adherents of Marcuse's "critical theory." Clearly, not even state-monopoly capitalism can manipulate the public at will.

What the Fair did show, however, was the affinity between latter-day capitalism and Grass the writer. Subtle anti-communism and conformist criticism easily find

their way to publishers and royalties. But this time the bulk of the reading public shied away from the "local anaesthetic."

The serious reading public in West Germany, let it be said, hardly exceeds five per cent of the population. The public seem to be more interested in the magazine serials with their crude love stories, militarist and even frankly fascist stuff and detective stories.

It would be a misnomer to describe as "publishers" those who churn out this kind of merchandise, which is designed to dim the public's view of the capitalist bigwigs and their activity in the culture industry. The unprecedented concentration enables a Springer, a Bertelsmann or a Holtzbrinck to monopolize publishing and the market. Fischer, Luchterhand, Suhrkamp, Piper and other publishers of repute may well be thrust aside, and should this be so, they will have to choose between the illusion of "non-alignment," the hope of some measure of independence through cooperation, or surrender to the really big sharks.

Significantly, writers, editors, printers, composers, publishing house and bookshop employees at the fair all made their demands for a higher standard of living and for the right to a real say in management; they demonstrated their opposition to the big capitalist ideas of one house, one master. They want to share in decision-making, to have a say on social security, on the structure of the enterprises and on the range of products.

A young printer asked us where he could find at the Fair political books that meant something to him as a worker. Despite the preponderance of the prevailing ideology, we could recommend him some new publications: 14 works by Marx, Engels and Lenin published by Marxistische Blaetter, literature of the resistance movement against fascism and neo-Nazism brought out by the Roederberg Publishers, the collection *Alternatives of the Opposition* and other publications of the progressive firm Paul-Rugenstein. Lastly, we called his attention to our new "Pumpkin Seed" series, which includes the article "Prague Directory: Democratization or Dismantling?" by Jiri Hajek, editor-in-chief of the Czechoslovak Communist Party weekly *Tvorba*, and to Action "Red Point," a chronicle of the big strike in Hanover last June.

We are not deluding ourselves. There is a need to counter the regime of the trusts with democratic and socialist literature, on which young people are keen. Yet our positions in West Germany in terms of pub-

lishing and publicity are still weak, even if we take into account the growing import of books from the German Democratic Republic. The Springer combine, cashing in on the demand for progressive literature, is putting out an edition of Marx's *Capital*, at a profit, of course. Big capital is certainly riding the "Left wave," without forgetting, for all its lust for profit, to weigh carefully the various ideological and political problems. Much of the literature turned out consists of books by "Marxologists" and "Kremlinastrologists," and of excavations ranging from Proudhon to Bakunin and Kropotkin, to Bucharin and Trotsky. The purpose, evidently, is a reversion from socialism as a science to utopia, and from the latter, to an attitude serving the Establishment.

The card played against Lenin in this, Lenin centenary, year is called Trotsky. While some anarchist writings are brought out by the one-man publishing houses in "pirate" editions, a Trotsky book attracts the bigger capitalists. Molden Verlag (Vienna, Munich and Zurich) advertised Trotsky's *The Young Lenin*, in huge posters dominating the approaches to the Frankfurt Fair. This book contains a preface by Walter Fischer which the Ernst Fischer group found important enough to reprint in *Wiener Tagebuch*.

To begin with, Trotsky is referred to as the man behind the allegation that Lenin "Russified" Marxism instead of developing it in the spirit of its founders. The result is said to be a "Russian Marxism with its nationally conditioned peculiarities of revolutionary theory and with the corresponding forms of organization and revolutionary action." For Walter Fischer "the universal validity of the doctrine called Leninism" is an absurdity. The purpose is clear. The revolutionary theory and practice of Marxism-Leninism alone show how the chains of capitalism can be smashed anywhere in the world. This being so, the monopoly bourgeoisie today sees its task in keeping the younger generation, which is turning more and more against capitalism, away from Marxism-Leninism. Nor is that all: if Leninism is not a universally valid revolutionary theory and practice, neither can the Soviet Union be a model country building socialism and communism. Walter Fischer claims that where this model is recognized there is, on the contrary, "a delay in adjusting social relations to the exigencies of the time." Young intellectuals in East and West alike protest and revolt against this, he says.

Here, too, the purpose is plain: slander socialism—a developing reality—and thus deprive the youth searching for solutions of any perspective. A harassed monopoly power is trying to conceal from its opponents the reality of latter-day capitalism, which is doomed by history, by claiming that socialism cannot be adjusted to the needs of the scientific and technological revolution. The calculation is that potential revolutionary forces will be kept away from their national task in the class struggle and isolated from their international basis, the socialist world system.

Invoking Trotsky's ghost has yet another object. "At a time of complete passivity on the part of the masses of working people"—this is Walter Fischer's interpretation of Trotsky's account of history — "young intellectuals, first of all students, become keenly aware that the existing order is intolerable." This "complete passivity" of the masses and the "failure of all attempts to overcome the people's lethargy" is projected into the present. The workers in most of the developed capitalist countries are alleged to be largely integrated with the Establishment. "The explosions of student revolt are not the least important manifestation of despair over the fact that hardly anywhere has it been possible to bring the masses of working people into revolutionary motion."

We West German Communists can least of all view the state of the workers' class

consciousness without concern. One of our tasks is to foster class consciousness, to spread socialist consciousness. Molden the publisher and Walter Fischer, his preface writer, want the exact opposite. They suggest to the workers and students that the Establishment and its power are here to stay. Young intellectuals are expected to think that the revolutionary energy of the working class has been spent. Their withdrawal into their "inner world," and their addiction to LSD and sex are construed as ultimate solutions. State-monopoly capitalism remains unaffected by this. Indeed, it may even welcome it as a pretext for police action and fascist activity.

We should therefore deplore the case of every young man or woman, whether worker or student, whatever the sentiment and momentary attitude that may keep them away from the democratic and socialist movement as a whole. Consequently, we see our duty in giving the workers and youth of the Federal Republic of Germany a deeper insight into their common interests and in strengthening their resolve for joint action against monopoly and for solidarity against imperialism. After all, it is their own hopes and aspirations that point to the theory and practice of Marxism-Leninism, which show the democratic and socialist way out of the inhuman conditions of modern capitalism.

Friedrich HITZER
Oscar NEUMANN

In memory of K. Y. Voroshilov

Kliment Yefremovich Voroshilov is no longer with us. He died like a soldier at his post: he had been working on book two of his memoirs in which he recalls the more than sixty years of his life and work in the ranks of the Communist Party. I had just read in the December issue of your journal his moving description of his first meeting with Vladimir Ilyich Lenin in 1906 at the Fourth Congress of the Russian Social Democratic Labor Party, a meeting which decisively influenced Voroshilov's life.

In the ranks of the Leninist party, Kliment Voroshilov traversed the road from professional revolutionary to member of the Political Bureau of the Party, from skilled worker to President of the Presidium of the Supreme Soviet of the USSR, from commander of Red Guard and partisan units to Marshal of the Soviet Union. And everywhere he gave unstintingly of his energy to consolidate our Soviet socialist state, develop its economy and culture, to ensure peace and the security of peoples. As People's Commissar of Defense, a post he held for 15 years, Kliment Voroshilov did much to build up the Soviet Union's Armed Forces.

My mind goes back to those grim years when Soviet Russia was locked in battle with White Guard and intervention troops, to June 1918 when Red Cavalry Army was being

formed. It was then that I first met Voroshilov. I remember how everything about him impressed me—his lofty Party principle, his firm belief that the revolution would triumph, his broad political outlook, the logic of his reasoning, his frank gaze and vigorous manner of speaking. In the battles ahead I was rarely to meet a more fearless and courageous man than Voroshilov.

He was a man who combined forthrightness with a keen sense of comradeship. For me the years in which I soldiered and worked alongside Voroshilov were years of Party schooling; great indeed was the influence he had on my political development.

It is with a feeling of pain that one realizes that Kliment Yefremovich Voroshilov is no longer with us, this veteran of our Communist Party, disciple and comrade-in-arms of Lenin, legendary commander of the Soviet Army, a man of heroic mould who enjoyed the affection and respect of millions of working people.

The entire life of Kliment Yefremovich exemplified the grandeur of the spirit of the working class, the spirit of the soldier-revolutionary, the spirit that may fade but never dies.

S. M. BUDYONNY,

Thrice Hero of the Soviet Union
Marshal of the Soviet Union,

In memory of Evremond Gene

Evremond Gene, General Secretary of the Guadeloupe Communist Party, died in an air crash when returning to Guadeloupe on December 3, 1969.

Born in Anse-Bertrand, Guadeloupe, on June 4, 1920, into a peasant family, Evremond Gene was the eldest of seven children, and, sent to work at a very early age, soon experienced the evils of exploitation.

Evremond, a founding member of the Guadeloupe Communist Party, won respect and prestige as a gifted organizer in his people's resistance to colonial oppression. He led the struggle against the war in Algeria and against abuses on his native island, for Guadeloupe's autonomy, and was for years subjected to police persecution.

In 1958 he was elected member of the Party's Political Bureau, became organizing secretary in 1961, and at the Party's Third Congress in December 1964 was elected

General Secretary. As General Secretary he contributed greatly to the ideological and organizational consolidation of the Party, moulding it into an effective vanguard of all working people.

Only a few months ago Comrade Gene contributed to our journal an account of the Guadeloupe Communists' activity in the class struggle, in the fight for the national interests of the people.

A staunch internationalist and champion of militant Communist solidarity based on Marxism-Leninism, Evremond Gene worked with dedication for the unity of the world Communist movement and took part in the June 1969 International Communist Meeting in Moscow.

Everyone who knew him, every fighter for the ideals to which he dedicated his prematurely terminated life, will always remember Evremond Gene as a splendid and dedicated Communist.

SUPPLEMENT

ECONOMIC DEVELOPMENT IN CMEA COUNTRIES

(Economic and Statistical Survey)

PRAGUE, 1970

This survey was compiled by the Socialist Countries' Department of **World Marxist Review** on the basis of official statistics, CMEA Secretariat data, and materials, books and periodicals published in CMEA countries.

The Council of Mutual and Economic Assistance* held its 23rd special session last year, attended by Communist and Workers' party leaders and heads of government. Its decisions were a long step towards closer economic cooperation and economic and political unity. The international implications of economic advance in the socialist coun-

*Its member countries are Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Mongolia, Poland, Rumania and the USSR. Together they occupy 25 million sq. km. (18.4 per cent of the world's total) and have a population of about 350 million (10 per cent of the world's total). Other socialist countries share in the work of various CMEA agencies.

tries, the need for continued and closer cooperation and economic integration were emphasized also at the International Meeting last June of Communist and Workers' parties.

World Marxist Review is sponsoring a conference, to be held at an early date, of economists from the socialist countries to discuss the problems of integration. The purpose of this survey is to provide an outline of the process, based on statistics of economic development in CMEA countries since the organization came into being.** We hope that this survey will help the reader form a more rounded-out picture of economic progress in the CMEA countries, which both capitalist and revisionist propaganda have sought, unsuccessfully, to play down.

A survey of socialist integration will be the subject of a special supplement to **WMR.

I. QUARTER-CENTURY RECORD

The last quarter-century will doubtlessly hold a special place in the annals of history, for it witnessed socialism's development into a world system, the decisive factor of social advance, one that defines the nature of the age we are living in.

And the achievements of world socialism are not the result of a spontaneous process, or of the isolated efforts of each of the socialist countries. They are, primarily, the result of purposive activity and cooperation of countries bound by ties of class fraternity. The strides made by each CMEA country should therefore be seen and assessed in the light of cooperation within the community.

This cooperation has produced very impressive results in the 20 years since CMEA was founded in 1949, especially impressive when compared with what each of these countries had to start from.

STARTING POINTS

Capitalism left most of the European socialist countries a sad legacy. That is a thing of the past, and there would be no point in reverting to it, were it not that the capitalist and revisionist propaganda myth that these countries had prospered under capitalism.

Most of the myth centers on Czechoslovakia, a relatively developed industrial-agrarian country before the war. But was it really a prosperous one? Czechoslovakia's economic progress in the 20 years of the bourgeois republic stands no comparison with what it has achieved in the 20 years of socialism.

Here are the figures. In 1937, industrial

output was only 36 per cent up on 1913, and only 67 per cent up on 1919. In 1948, it had surpassed the 1937 level and increased 500 per cent in the next 20 socialist years. The annual output gain under "Masaryk socialism" was less than three per cent, compared with more than nine per cent in the years of genuine socialist construction. Besides, capitalism meant chronic unemployment — 400,000 jobless in 1937. Socialist Czechoslovakia wiped out unemployment long ago. Or another revealing indicator: enrolment in higher education remained stagnant in the prewar republic whereas it rose by nearly 400 per cent in the years of popular rule.

And so, one can speak of prosperity in bourgeois Czechoslovakia only for the capitalists, who, together with the foreign monopolies, controlled the economy and made a handsome profit out of exploitation of the workers. For speed-up at the Bata shoe factories was just as effective, and just as merciless, as, say, at Ford's in America.

Capitalist Poland presented an even gloomier picture: prewar industrial output was roughly at the 1913 level. In all the other European socialist countries economic progress was slow and barely tangible. What is more, the years directly preceding the war found them steeped in economic crisis, with resultant unemployment, impoverishment and intensified exploitation, compounded by political repression. All this had its natural culmination in the surrender of the ruling element to reaction and fascism.

World War II played havoc with the economy of most of the present European social-

ist countries. They had to begin their new history from scratch. When the German Democratic Republic was proclaimed in 1949, it had only four obsolete blast furnaces; accounted for only three per cent of the former German Reich's coal output. Fifty per cent of its industrial potential, 70 per cent of power generating capacity, 50 per cent of urban housing, and 30 per cent of agricultural machines, had been destroyed. The picture was much the same in the other socialist countries including the Soviet Union, the vanguard of world socialism, which bore the main burden in the fight against fascism. It would have seemed that rehabilitation would require many long years. In fact, that was predicted by many a capitalist economist and politician, who argued that rehabilitation could be speeded up only with American aid. This, of course, would have entailed reestablishment of the capitalist economic structure and capitalist rule. The peoples made another choice — socialism.

ACCELERATING POWER OF SOCIALISM

Adoption of the socialist path made for rapid economic progress. Despite the ravages of the war, the imperialist economic boycott, nuclear blackmail, the cold war and imperialist subversion, the socialist countries

quickly regained prewar production levels and have now surpassed them by more than 1,000 per cent. By way of comparison, the figure for capitalist countries is 300 per cent. These two figures give the lie to all the propaganda about the superiority of capitalism and the "decline" of the socialist economy.

But this rapid growth is not fortuitous. It was made possible by definite political and economic prerequisites. First among these were: dictatorship of the working class in alliance with the peasantry and under the leadership of the Marxist-Leninist parties; public ownership of the means of production; centralized state planning. From the very outset the CMEA countries have been working to long-range, mainly five-year, development plans, and since 1956 these have been coordinated, on a bilateral or multilateral basis, within the CMEA framework. The founding of that organization was an important landmark in realizing the principle of proletarian internationalism in relations between the socialist countries. Long-term trade agreements, subsequently followed by plan coordination, have enabled them successfully and rapidly to resolve crucial economic problems, in particular the most important problem of all, building up the industrial base of socialism.

II. INDUSTRIALIZATION

CENTRAL FACTOR

"A large-scale machine industry capable of reorganizing agriculture," Lenin wrote, "is the only material basis that is possible for socialism" (Vol. 32, p. 459). For industry produces all the means of production needed by other branches of the economy, and the bulk of the working class, the leading socio-political force of society, is concentrated in industry. It is no chance accident, therefore, that industrialization became the backbone of the socialist countries' economic policy. The Communist and Workers' parties regard a high rate of growth, and a bigger share of industry in the national product, as the earnest of economic independence from imperialism and the means of strengthening

their defence capacity.

Industry thus provides the pre-condition for a rapid rise in productivity, which Lenin considered the most important factor in the triumph of the new system.

Industry is playing a much bigger part in meeting consumer requirements, especially of such durables as refrigerators, automobiles, television sets, etc.

The technological revolution had added a new dimension to industry which, in the final analysis, produces all the new sophisticated computers, automated machinery and the base materials needed for their production.

Industry plays an ever-increasing part in all the CMEA countries as will be seen from the following table:

Percentage Share of Industrial and Farm Produce (round figures)

		Bulgaria	Hungary	GDR	Poland	Rumania	Czechoslovakia
Industry	1950	47	68	82	67*	61	79
	1967	61	74	83	72	65	84
Agriculture	1950	53	32	18	33*	39	21
	1967	39	26	17	28	35	16

*1960.

Socialist industrialization takes into account the geographical characteristics and economic levels of the respective countries. The CMEA countries have started many new industries: engineering, ferrous and non-ferrous metals, chemicals, in Bulgaria; ball-bearings, precision engineering, machine-tools, chemical, mining and building equipment, in Hungary; shipbuilding and electrical engineering, a practically new chemical, vast expansion in iron and steel, new automobile, electronics industries, etc., in Poland; oil-refining machinery, automo-

biles, tractors, aluminum and petrochemicals, a practically new iron-and-steel industry, in Rumania; chemicals, generators and agricultural machinery and ship-building, in the GDR; aluminum, some branches of heavy engineering, chemicals, shipbuilding, ball-bearings, in Czechoslovakia. Industry is also growing apace in the Mongolian People's Republic which, in the not too distant future, will become an industrial-agrarian country.

The rate of industrial growth in CMEA countries is spelled out in the following table.

Percentage Increase of Industrial Output

	1950	1955	1960	1965	1968
Bulgaria	100	190	397	691	982
Czechoslovakia	100	168	276	364	440
Hungary	100	186	267	386	471
GDR	100	190	292	390	468
Mongolia	100	126	303	499	634
Poland	100	212	338	508	642
Rumania	100	202	340	649	917
USSR	100	185	304	458	592
CMEA	100	189	306	457	585

The figures show especially rapid expansion in countries with little or no industry before the revolution. The average increase for the CMEA countries for 1950-1968 was

nearly 500 per cent, whereas the figure for Rumania was more than 800 per cent, and for Bulgaria nearly 900 per cent. Another indication of economic growth is the steep output rise in major lines of production.

**Output of Major Products
(round figures)**

	Power (billion kWh)		Steel (Mln. tons)		Cement (Mln. tons)	
	prewar	1968	prewar	1968	prewar	1968
Bulgaria	0.3	16	—	1.5	0.2	3.5
Czechoslovakia	4.1	41	2.3	10.6	1.3	6.5
Hungary	1.4	13	0.6	2.9	0.3	2.8
GDR	14.8	63	1.2	4.7	1.7	7.6
Poland	4.0	56	1.4	11.0	1.7	11.6
Rumania	1.1	28	0.3	4.8	0.5	7.0
USSR	48.3	639	18.3	107.0	5.7	87.5
CMEA	74.0	856	24.1	142	11.4	126.5

HEAVY INDUSTRY—THE BASIS OF ECONOMIC PROGRESS

Significant structural changes are characteristic of all CMEA countries. And first among these is the marked increase in the share of producer goods.

For a long time the Communist and Workers' parties concentrated on expanding heavy industry, since this determined the general rate of growth. In some socialist countries, however (including the Soviet

Percentage Share of Producer Goods in Gross Industrial Output

	1950	1960	1968
Bulgaria	38.2	47.2	53.2
Czechoslovakia	48.6	58.4	37.4
Hungary	—	66.0	65.4
GDR	—	66.5	68.6
Poland	52.6	59.4	65.3
Rumania	53.0	62.9	69.5
USSR	68.8	72.5	74.4

Union) producer goods production has reached a sufficiently high level and the accent is now being shifted to more effective use of plant and accelerated development in the consumer goods industries. More attention is being paid also to national and geographical factors in determining international specialization. For instance, in Mongolian conditions there is no point in developing all branches of heavy industry, and Mongolia is concentrating on, and rapidly expanding, its fuel and power industries.

The socialist concept of industrialization rejects excessive specialization and autarchy. Structural development follows two main trends: diversification, i.e., altering the economic structure to produce a greater variety of goods, and specialization, i.e., concentrating on lines of production most suitable to the conditions of the given country. Each country works out the most effective com-

bination of these two trends. But in all CMEA countries industries closely related to technical progress, such as chemicals, engineering and electronics, enjoy priority development.

Expansion in Chemicals and Engineering

	Production gain: 1968 in percentages of 1950		
	All industry	Chemicals, rubber, asbestos	Engineering and metalworking
Bulgaria	982	33-fold	30-fold
Czechoslovakia	440	924	827
Hungary	471	16-fold	699
GDR	468	559	733
Poland	642	14-fold	22-fold
Rumania	917	36-fold	20-fold
USSR	592	942	11-fold

Power generation has been growing at a sustained rapid rate.

Electric Power Output

	Billion kWh		Percent	
	1950	1960	1968	1968 compared with 1950
Bulgaria	0.8	4.7	15.5	19-fold
Czechoslovakia	9.3	24.5	41.4	445
Hungary	3.0	7.6	13.2	438
GDR	19.5	40.3	63.2	323
Mongolia	0.02	0.1	0.3	16-fold
Poland	9.4	29.3	55.5	590
Rumania	2.1	7.7	27.8	13-fold
USSR	91.2	292.3	638.7	700
CMEA	135	406	856	633

Power expansion must be at a fast rate to meet the constantly rising requirements of industry. That has been the trend in all CMEA countries, where power is developing at a faster pace than industry. In 1968 the rate of power expansion was nearly 100 per cent above the industrial growth rate in Bulgaria, more than 50 per cent above in Hungary and Poland, nearly 100 per cent in Rumania, more than 50 per cent in the USSR and Czechoslovakia, and over 50 per cent for the community as a whole. The Communist and Workers' parties in all these countries are implementing Lenin's proposition of overall electrification of the economy. The problem is being solved in several ways: raising the capacity of existing generating facilities, a gradual shift to nuclear power — most European socialist countries have or are building power reactors with Soviet assistance—organizing national

power grids and exports from low-cost power countries. In 1967 international power exchange amounted to 8,500 billion kwh.

This dispenses with the need to accelerate power development in countries like Hungary and the GDR, which do not have cheap energy sources. International socialist division of labor also makes for more rational allocation of power-consuming industries. The present uneven development in production and consumption of electric power will probably remain a feature of the CMEA community for some time.

But electrification is closely associated with expansion of the fuel industry, and here the trend is towards wider use of oil and natural gas, as the most effective and compact fuels. And since most European socialist countries have neither oil nor gas, these are supplied by the Soviet Union.

Coal Output
(all types, mln. tons)

	1950	1960	1968	1968 in % of 1950
Bulgaria	5.9	16.0	28.7	486
Czechoslovakia	45.0	84.3	100.4	223
Hungary	13.3	26.5	27.2	205
GDR	139.9	228.2	248.7	177
Mongolia	0.3	0.6	1.5	400
Poland	82.8	113.8	155.5	188
Rumania	3.2	6.8	14.8	462
USSR	261.0	490.1	551.9	211
CMEA	551	966	1,129	205

In 1968, CMEA accounted for 41 per cent of world coal and approximately 18 per cent of world oil output. And oil output is advancing rapidly, especially in the Soviet Union, in which most of the socialist world's oil and gas resources are concentrated.

Oil Output
(000 tons)

	1950	1960	1968	1968 in % of 1950
Bulgaria	—	200	475	—
Czechoslovakia	63	137	205	325
Hungary	512	1,217	1807	353
GDR	—	0.9	271	—
Poland	162	194	475	293
Rumania	5,047	11,500	13,285	263
USSR	37,878	147,191	307,448	812
Total	43,662	160,468	323,974	742

The engineering and building industries use increasing quantities of iron and steel, largely in the form of construction elements. Before the war only the USSR and Czechoslovakia produced iron and steel in appreciable quantities. Bulgaria was not a steel country, and Poland, Hungary, Rumania and

the GDR accounted for very small amounts. In fact, in 1950, steel output in the CMEA countries was half the U.S. figure; now it is roughly 33 per cent above the U.S. figure and far above the pre-war total. CMEA countries account for over 27 per cent of the world steel output.

Steel Output
(Mln. tons)

	1950	1960	1968	1968 in % of 1950
Bulgaria	0.005	0.25	1.5	286 times greater
Czechoslovakia	3.1	6.8	10.6	338
Hungary	1.0	1.9	2.9	277
GDR	1.3	3.8	4.7	369
Poland	2.5	6.7	11.0	438
Rumania	0.6	1.8	4.8	800
USSR	27.3	65.3	106.5	390
Total	35.8	86.5	141.9	396

Cement is a key product upon which the scale and tempo of capital construction largely depend, and its production has in-

creased very substantially in the CMEA countries.

Cement Output (Mln. tons)

	1950	1960	1968	1968 in % of 1950
Bulgaria	0.6	1.6	3.5	583
Czechoslovakia	2.0	5.1	6.5	325
Hungary	0.8	1.6	2.8	351
GDR	1.4	5.0	7.6	535
Poland	2.5	6.6	11.6	461
Rumania	1.0	3.1	7.0	600
USSR	10.2	45.5	87.5	858
Total	18.5	68.5	126.5	682

In 1968 the CMEA community accounted for about a quarter of the world cement output.

RISE IN CONSUMER GOODS PRODUCTION

A favourite capitalist propaganda figment is that socialist industry does not cater to the consumer. There is, we are told, permanent stagnation in the consumer goods industries. This and similar propaganda

myths are refuted by the facts and figures.

And the facts are that production of consumer goods has been greatly accelerated in recent years in all CMEA countries. Some of these countries have already laid the foundations of socialism and are now building a developed socialist society, and most have completed the reconstruction of heavy industry, with engineering increasingly meeting the demand in consumer durables. The following figures are indicative.

Production of Consumer Durables (000's)

	1950	1960	1968	1968 in % of 1950
Radio sets	1907	6408	9715	509
TV sets	11.9	2716	7705	646 times greater
Washing machines	4.3	1997	6170	1435
Refrigerators	13.8	861	4614	334
Automobiles	96.3	273	573	595

The CMEA countries now fully meet the domestic demand for watches, cameras (including cinema cameras) radio sets, washing machines, television sets, etc., but there is still a considerable unsatisfied demand for refrigerators and, more especially, automobiles, though in the past few years the annual percentage gain has been far above the world average: 40 per cent in CMEA

countries in 1965-68, as against the world figure of 10 per cent. Most CMEA members are pooling production facilities steeply to increase automobile output in the coming five-year period.

Good progress is reported in such traditional consumer goods industries as textiles and footwear, largely due to wider use of chemical base materials.

Output of Fabrics (Mln. sq. metres)

	1950	1960	1968	1968 in % of 1950
Bulgaria	87.3	228	345	394
Czechoslovakia	564	716	777	138
Hungary	234	351	469	200
GDR	329	665	692	210
Mongolia	0.1	0.3	0.7	600
Poland	591	942	1251	216
Rumania	193	329	514	266
USSR	3374	6636	8470	251
CMEA	5372	9866	12515	233

Output of Footwear (exclusive of rubber footwear)
(Mln. pairs)

	1950	1960	1968	1968 in % of 1950
Bulgaria	3.2	9.3	19.1	591
Czechoslovakia	36.7*	57.9	95.3	—
Hungary	6.8	21.3	32.7	480
GDR	32.3	54.1	66.3	203
Mongolia	0.2	0.9	1.8	9-fold
Poland	15.1	58.9	94.2	624
Rumania	9.5	22.2	48.9	515
USSR	203	419	598	294
CMEA	307	644	956	311

*Exclusive of non-leather footwear.

The tables show that production levels in both items are being evened out: in 1950 per capita textile output in Bulgaria was roughly one-quarter of the Czechoslovak figure, in 1968 it was more than one-third; Bulgaria's 1950 per capita figure for footwear was less than one-quarter of the GDR's, in 1968 it was up to 50 per cent.

On the whole, light industry still lags behind consumer demand, especially in terms of quantity and variety. But the socialist countries have introduced many measures to remedy the situation: bigger investments in light industry, higher material incentives for factories and their workers, state quality

control, direct ties between manufacturer and distributor, wider exchange of goods between CMEA countries, and more imports from capitalist countries. These measures are not, of course, a sign of "crisis" in socialist light industry, but primarily the result of rapid growth of incomes and effective purchasing power.

More effective purchasing power and the relative lag in production of consumer goods and services is one of the real contradictions of rapidly developing socialist society, and it is steadily being resolved through planned economic development, without antagonistic conflicts and in the interests of the people.

III. FUNDAMENTAL CHANGES IN AGRICULTURE

Before popular rule, most CMEA countries were either agrarian or predominantly agrarian, but agricultural production in all of them was at a woefully low level. True, they exported farm produce, but a large part of the population was undernourished. Modern intensive farming was confined to certain areas of Czechoslovakia and the GDR. In all other parts of what is now the CMEA community, including pre-revolutionary Russia, farming was of the extensive pattern. With the sole exception of Bulgaria, much of the land belonged to big landowners and this made for sharp class differentiation. In Czechoslovakia, for instance, 14,500 landed estates, a mere 1.7 per cent of all farms, controlled 56.2 per cent of the arable.

The socialist sector in agriculture is represented by cooperative farms organized on a voluntary basis, and by large state farms. In most CMEA countries the socialist sector supplies the bulk of farm produce and accounts for between 90 and 100 per cent of the cultivated area. The only exception is Poland, where the figure is only 15 per cent,

though here, too, exploitation is a thing of the past and most of the peasant farmers cooperate with the state both in production and marketing.

Socialist farming not only makes for higher productivity, but is an important factor in socio-political, and cultural development. Capitalist propaganda has thought up all manner of arguments to bolster the idea, effectively refuted by Lenin, that small private farming under free competition in a free market is the best conceivable system. What these arguments overlook — or wilfully ignore — is that in the capitalist countries the small farmer is being wiped out along with free competition and a free market. The simple fact is that the farmer is being ruined by the big monopolies. Since the war the number of independent farmers in the USA has declined by more than 50 per cent. Capitalist concentration and higher productivity in agriculture are achieved at the price of ruining the producer.

Socialism has proved that continued ruination of the farmer, accompanied by sharp

intensification of his labor, which in the end turns him into a wage slave of the monopolies, is by no means the only, and certainly not the best, method of raising production, as will be seen from the following figures.

**Gross Agricultural Output
(1950 = 100)**

Bulgaria	228
Czechoslovakia	136
Hungary	148
GDR	190
Poland	164
Rumania	216
USSR	209
Total	196

In most CMEA countries, as the table shows; farm output is relatively high, but not high enough to meet the steadily rising demand. For urbanization, higher wages and expansion in the light and food industries all call for a bigger supply of agricultural produce. And to meet this higher demand some CMEA countries have in recent years been purchasing food grains on the world market.

In recent years the CMEA countries have been producing between 200 and 230 million tons of cereal and legume crops. This is one-fifth of the world total, though these countries account for only one-tenth of the world population. In other words, per capita cereal production is twice the world level, and growth rates in agriculture are above the world level too.

The table also shows that agricultural output in general has been advancing at a fast rate: a 100 per cent increase over the past 20 years, compared with little more than 50 per cent in the capitalist countries. Progress is especially rapid in cattle farming: meat output rose from 14 million to 18.2 million tons, or by nearly one-third, in 1960-67; milk output more than doubled in 1950-67, eggs

increased nearly 200 per cent and butter more than 200 per cent — the CMEA community now produces more butter per capita than the United States.

This progress should be attributed to higher yields in crop and cattle farming and higher productivity in all other branches of agriculture.

For instance, per hectare yields of cereals, sugar beet, potatoes and other vegetables increased about 50 per cent and milk yields per cow about 40 per cent, over the past 15-20 years.

As for labor productivity, its increase in socialist farming is not through speed-up or longer working hours, and certainly not through ruination of the farmer, as is the case under capitalism. The chief source of higher productivity is wider use of technology. In this respect the socialist countries still lag behind the big private farms in leading capitalist countries. Besides, socialist agriculture makes it a point to employ the entire able-bodied population, and there is no speed-up. That is why productivity levels are still lower than in leading capitalist countries. In the USSR, for instance, agricultural productivity is about one-quarter or one-fifth that of the USA.

But productivity is being increased by employing more machinery and chemical fertilizers. The number of tractors is up from 720,000 in 1950 to about 2,500,000, an increase of 250 per cent, as against 130 per cent in the capitalist world. The supply of chemical fertilizers (in conventional units) rose from 2,600,000 tons in 1950 to 13,200,000 in 1967, or more than 400 per cent, compared with less than 200 per cent in the capitalist world.

The outlook for socialist agriculture is encouraging. The Communist Parties and governments of CMEA countries are devoting more attention to agriculture, the aim being to eliminate its lag compared with industry and achieve the world's highest output standards.

IV. SOCIALISM'S AIM—UNIVERSAL PROSPERITY

Capitalism's paid pens are doing everything to prove that their system is humane. But the sharp division between the rich and the poor can neither be concealed nor obscured. For polarization is a built-in feature of the imperialist system, and the gap is widening from year to year, not in the sense that the working people are consuming progressively less and living in progressively worse conditions, but rather in the sense

that their share of the national income is constantly decreasing, while the share of the parasitic classes is increasing and more goes into the arms drive. And it is a fact that the half of mankind living in exploited countries are ten times worse off than the other half living in developed capitalist countries.

Socialism presents a fundamentally different picture. Though real wages are, for

the time being, lower than in the most highly developed capitalist countries, national income is rising at a higher rate and, more important still, accrues to the people.

**Growth of National Income
(1950 = 100)**

	1955	1960	1968
Bulgaria	178	282	503
Czechoslovakia	148	207	286
Hungary	132	177	273
GDR	187	263	363
Poland	151	208	345
Rumania	192	268	522
USSR	171	265	459
TOTAL	169	253	423

Compared with 1950, the national income of Common Market countries rose by about 170 per cent, and by less than 100 per cent in the United States.

Allocation of national income in CMEA countries takes into account the need to raise living standards, both in the current year and for a longer period, and the need to build up necessary reserves and assure a proper level of defense capacity. From the standpoint of the interests of socialist society, the accumulation fund is no less important than the consumption fund, inasmuch as more accumulation means faster economic progress and higher prosperity standards.

In the early years of socialist construction and industrialization a very large part of national income went into accumulation. At present the proportion is from 22 to 35 per cent. Most CMEA countries propel economic development not by higher accumulation and by starting new industries (the extensive method), but by making more efficient use of available industry and raising productivity by applying the achievements of the technological revolution (intensive method). That, in fact, is the point and purpose of the economic reforms introduced in most CMEA countries.

In a relatively short space of time, the new system of economic planning and management has enabled them to achieve higher efficiency standards, better adapt production to the needs of the socialist market and boost economic growth rates. In this context, it is pertinent to compare the growth of national income in 1961-65, years which in most countries preceded the present economic reform, with the growth rates attained since the reform was put into force. In the USSR, for instance, the average

national income growth rose from 6.5 per cent in 1961-65 to 8 per cent in 1966-68. The respective figures for the GDR are 3.5 and 5.3 per cent, and for Bulgaria 6.7 and 9.2 per cent. There has also been a marked increase in industrial productivity growth rates: a rise of 250-350 per cent over the past 20 years in the majority of CMEA countries. Also this indicator: more than nine-tenths of the accretion to national income, and more than two-thirds of increased industrial output, come from higher productivity.

It is on this basis, stressed by Lenin, that the socialist countries are steadily raising living standards.

Steady growth of real wages is characteristic of all CMEA countries. In Czechoslovakia, for instance, they increased by more than 50 per cent between 1950 and 1967, by 250 per cent in the GDR, nearly 100 per cent in Hungary, 160 per cent in Bulgaria and 246 per cent in Rumania. Real incomes for the Soviet population increased 150 per cent over the same period, with a commensurate rise in retail trade and paid services.

The rate of growth could have been higher still were it not for the constant menace of imperialist aggression, which compels the socialist countries to strengthen their defense capacity.

However, cash incomes and expenditures do not furnish a full picture of living standards. For there are very many "invisible" sources of income and many requirements that are satisfied out of social consumption funds.* In all CMEA countries the social consumption fund plays an increasingly tangible part in supplementing cash incomes.

The socialist countries are spending progressively more on education, culture, public health, and social maintenance. Schooling is free of charge in all CMEA countries and most university and college students receive government scholarships. Besides, the number of students has increased very considerably in the past 20 years — by 150 per cent in Hungary, nearly 200 per cent in Poland, Bulgaria and Rumania, more than 200 per cent in the GDR and Czechoslovakia, 250 per cent in the USSR, and 500 per cent in Mongolia.

In number of doctors per 10,000 of the population, the CMEA countries have now

*The social consumption fund encompasses free medical care, vocational training and re-training, family grants, pensions, scholarships, paid holidays, accommodation in sanatoria and holiday homes free of charge or at reduced rates and a wide range of other services. In the USSR, per capital payments out of this fund rose from 24 rubles in 1940 to 232 rubles in 1968.

reached or surpassed the level of developed capitalist countries. In fact, nearly one-third of all the world's doctors — 800,000 out of a total of 2,500,000 — are in CMEA countries, and to this might be added that all

treatment is free of charge.

Budgetary expenditure on pensions and family grants increases from year to year. Here are the figures for 1967 in percentages of 1960.

	Bulgaria	Czechoslovakia	Hungary	GDR	Mongolia	Poland	Rumania	USSR
Pensions	221	153	215	136	371*	188	—	176
Family grants	141	108	195	124	520	113	173	87

*1966.

The socialist world is justly proud of all these achievements.

Twenty years of economic progress in the CMEA countries are the result of the dedicated labor of their peoples, directed by the Communist and Workers' parties; the result of systematic and planned application of the economic laws of socialism, which operate on the basis of public ownership of the means of production. The edifice of the new society is not yet completed. Much still remains to be done. But the most important work has been accomplished. Most socialist

countries have not only laid the firm foundation of the new system, but are moving ahead towards a developed socialist society, and the Soviet Union is building communism. Socialism's ability to assure planned and crisis-free economic development in the interests of the people has been conclusively proved, and the socialist countries are confidently advancing to communism.

Rapid economic development, at a higher rate than in the capitalist countries, is a decisive factor in changing the balance of world forces in favor of peace, democracy and socialism.

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