WORLD
Problems of
MARXIST
Peace and Socialism
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December 1977, Vol. 20, No. 12 75¢

Rumania /114

Cost of arms race to humankind /130

Historic stage on the road to communism /3

The public sector in developing countries /58

Latin American panorama /88

Philippines /122

Workers of all countries, unite!

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Features

3 A historic stage on the road to communism
L.I. Brezhnev

19 The Great October and the world revolutionary process
A. Cunhal

Party experience

30 GCP development prospects
H. Mies, K. Fritsch

39 Clear guidelines for struggle
A. Mendez Garcia

47 Toward socialist national unity
H. Vass

Exchange of views

58 The role of the public sector in developing countries

Viewpoints

88 A difficult stage in the process of change
J. del Prado

96 The only alternative to fascism
J. Soares

101 Colombia: mass struggle on the upswing
A. Mosquera

103 What is happening in El Salvador?
V. Montes

107 The crooked mirror technique
K. Khachaturov

114 Forum of socialist democracy in Rumania
G. Pana

122 The new in the Philippines' orientation
J. Lava

Continued next page

Continued

Facts and figures

130 What the arms race costs humankind

136 **Index of contents, 1977**

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feature

A historic stage on the road to communism

Leonid Brezhnev
General Secretary CC CPSU,
President of Presidium,
Supreme Soviet of the USSR

The 60th year of the Great October Socialist Revolution will command a special place in the history of the Soviet Union. It is the year of the new Constitution of the USSR, which reflects all that has been achieved by the revolutionary transforming activity of the party and the people since the victory of October and gives a clear perspective of further communist construction.

The new Fundamental Law of the USSR is a result of the creative endeavor of great masses of the working people. It embodies their experience, knowledge and will, their concern for the prosperity of their socialist Motherland, for the growth of its international prestige.

The great Lenin, defining the basic principles of construction of the socialist state, said that its constitution 'embodies what experience has already given, and will be corrected and supplemented as it is being put into effect' (*Coll. Works*, Vol. 28, p. 36). The main thing that life has given our people in the more than 40 years that have passed since the adoption of the previous Soviet Constitution is the building of a developed socialist society, the creation of the world's first state of the whole people.

I

A developed socialist society is a natural stage in the socio-economic maturing of the new system in the framework of the first phase of the communist formation. This, to use Lenin's words, is the fully established socialism from which the gradual transition to communism begins. This is precisely the stage in the development of socialism that has been achieved in our country.

When the Marxist-Leninist classics, lifting the curtain of time, charted the contours of socialism and communism they were extremely careful. Not a grain of Utopia. No flights of fantasy. Only what could be scientifically proved: the basic trends of development, the main, fundamental characteristics. Theoretically it was clear that the transition from capitalism to communism would embrace a long

historical period, that the new society would rise from one stage of maturity to the next. But no one could tell in advance what concretely these stages would be. Engels wrote that the question of the stages of transition to communist society 'is the most difficult of any that exist . . .'*

Lenin, the communists of Russia were the first who had to answer that question. It is understandable that Lenin's attention was focused mainly on the immediate tasks of that period, on creating the foundations of the new social system. But genius always anticipates its age. Already at the dawn of Soviet power Lenin spoke of 'accomplished,' 'full' and 'developed' socialism as the perspective, the goal of the socialist construction that had been launched. It was these ideas of Lenin's that formed the basis of the conception of developed socialist society evolved by the collective efforts of the CPSU and other fraternal parties.

The experience of the USSR, of other countries of the socialist community testifies to the fact that laying the foundations of socialism, that is, abolishing the exploiting classes and establishing public ownership of the means of production in all sectors of the national economy, does not yet make it possible to launch the direct transition to communism. Before this certain stages in the development of socialism on its own basis must be traversed. Moreover, practice has shown that the development, the perfecting of socialism is a task no less complex, no less responsible than the laying of its foundations.

It is self-evident that a mature socialist society must rest *on highly developed productive forces, on a powerful, advanced industry, on a large-scale, highly mechanized agriculture build on collectivist principles*. Such today is the Soviet economy which, both in scale and technical capability, differs fundamentally from what we had four decades ago, when socialist production relations had already prevailed in town and country.

In this period the gross social product increased 18-fold, the power-to-man ratio in industry nearly 8-fold, and in agriculture more than 15-fold. Our economy today is inconceivable without nuclear power, electronics, computers, transistors and many other industries that in 1936 we did not possess. The share of the industries determining technological progress and economic efficiency in the total volume of industrial output has more than tripled.

In the initial stages of socialist construction Soviet people had to concentrate their resources and efforts on the most urgent tasks, on things that the very existence of our state depended on. Today, in the

*Letter to Konrad Schmidt. Zürich, July 1, 1891.

conditions of developed socialism, on the basis of the constant growth of the whole national economy, the combination of the scientific and technological revolution with the advantages of the socialist organization of society, it has been possible to achieve a perceptible swing of the economy toward ever fuller satisfaction of the people's many and diverse material and cultural requirements. In other words, the supreme goal of socialist production today is becoming directly central to the party's practical policy. The historical advantages of socialism as a mode of production and way of life, its genuinely humane essence are thus more fully and dramatically revealed.

The Soviet people's material and spiritual life has risen to a new, incomparably higher level. Their real incomes have increased more than fivefold in comparison with 1936. The general culture and education of the Soviet person, who, not for nothing, is known as 'the world's biggest reader,' have substantially increased. Nearly ten million people — over seven times more than 40 years ago — are at present studying in our higher and specialized secondary schools; the transition to universal secondary education has been accomplished in the main. The labor of industrial and agricultural workers, of all Soviet people has become more creative and meaningful. Several generations of working people have already grown up and been nurtured in the spirit of collectivism and comradely mutual assistance in the conditions of victorious socialism, never having experienced the oppressive, traumatic atmosphere of an exploitative society. The scientific materialist world view has become firmly established in the social consciousness.

At the stage of developed socialism, as our experience has shown, there is a considerable *rise in the level of socialization of the economy and a steady drawing together of state (the whole people's) and collective-farm-cooperative forms of socialist property.* In recent years this has been actively promoted by the party's line of deepening specialization and concentration of agricultural production on the basis of inter-farm cooperation and agro-industrial integration, a line developing the ideas of Lenin's cooperative plan in their application to present-day conditions. More than 7,000 inter-farm organizations and amalgamations set up by the joint efforts of state enterprises and collective farms are functioning in the country today. This is a new phenomenon in our socio-economic practice.

Profound changes have also taken place in the social structure of Soviet society. The Soviet working class, which is its leading force, today totals more than 70 million people, or two-thirds of the gainfully employed population (whereas in 1936 it was only one-third). The workers' social activity and political maturity, their participation in government are constantly growing. The proportion of workers

among deputies of the Soviets at all levels has increased fivefold over the past 40 years and now stands at more than 42 per cent. Their general educational and professional training is constantly improving. Today 73.2 per cent of workers have a higher or secondary (not less than eight years) education, whereas 40 years ago the figure was less than eight per cent. A production worker of a new type, harmoniously combining physical and mental work, is growing up in the conditions of developed socialism and under the influence of the scientific and technological revolution.

Our collective farm peasantry has also changed considerably. In social status it is coming steadily closer to the working class and its educational level and way of life now differ little from those of the urban population. A collectivist psychology, a high ideological level and dedication to the cause of socialism and communism are the characteristic features of today's peasant, born and brought up in the collective farm.

Our intelligentsia, replenished mainly by workers and peasants, gives all its creative energy to the building of the new society. This is the fastest growing contingent of the Soviet working people. The past four decades have seen a 34-fold increase in the number of people with a higher or specialized secondary education in industry, and a 47-fold increase in agriculture.

Socialism has developed in Soviet people a sense of being the true masters of their country, it was fostered in them an urge to master the Leninist science and art of managing all social life on socialist principles. The broad masses of the working people have become an unfailing source of the formation of socialist cadres. These are people who organically combine party spirit and thorough knowledge, keen political awareness and a well-developed feeling for the new, an ability to assess their own activities critically and listen attentively to the voice of the masses.

In the process of building developed socialism the social basis of the socialist system in our country has expanded. The alliance of the working class and the collective farm peasantry has developed in the solid political and ideological unity of these classes with the people's intelligentsia, which has now fully adopted the positions of socialism. The unbreakable alliance of workers, peasants and intellectuals, of all who are engaged in either physical or mental labor, is the prime source and guarantee of further success in communist construction.

The formation of a historically new social and international community — the Soviet people — has become an important symbol of developed socialism in our country, an indicator of the growing homogeneity of Soviet society, the triumph of the nationalities policy of the CPSU. This means that the common features of Soviet people's

behavior, character and world view which do not depend on social and national distinctions are gradually assuming decisive importance in our country.

Thanks to the convergence of the diverse forms of socialist property, the gradual obliteration of any essential distinctions between town and country, between mental and physical labor, and adoption by all working people of the ideological and political positions of the working class, the interests and goals, the social ideals and psychology of all strata of the population have drawn closer together than ever before. On this basis substantial changes have also occurred in the political system. Essentially they consist *in the growing of the state of the dictatorship of the proletariat into a socialist state of all the people*.

Such are the objective processes that led our party to the conclusion that *developed socialism has now been built in the USSR, that is to say, a degree, a stage in the maturing of the new society has been reached when the repatterning of the totality of social relations on the collectivist principles intrinsically inherent in socialism is completed*. Full scope for the functioning of the laws of socialism, for the manifestation of its advantages in all spheres of social life, the organic integrity and dynamism of the social system, its political stability and indestructible intrinsic unity — such are the major distinguishing features of the developed socialist society. It stands to reason that the principle of distribution according to labor still holds good even at this stage of the development of the new system, and will continue to do so for some time.

We proceed from the fact that cognition and use of all the opportunities offered by developed socialism are, simultaneously, transition to the building of communism. In other words, the dialectics of development are such that as the mature socialist society perfects itself it gradually grows into a communist society. It is impossible to divide these two processes, to draw a line between them.

We are profoundly convinced that *no matter what the specific conditions in the countries building socialism may be, the stage of its perfection on its own basis, the stage of mature, developed socialism is an essential part of the social transformations, of the relatively long period of development on the road from capitalism to communism*. It stands to reason that this necessity, this regularity will be embodied in their own way in the conditions of the various socialist countries.

In the USSR the task of building a suitable material and technical basis for developed socialism had to be accomplished after the foundations of the new system had been laid. Evidently this is the common road for all countries that initiate socialist transformations with a weak or medium developed economy. In countries that by the time

their socialist revolution is victorious will have highly developed productive forces, the position will, of course, be different in many ways. But even they, undoubtedly, will have to solve such complex problems of building and perfecting mature socialism as, for example, mastering the difficult science of organizing all social life on socialist principles, including the science of economic planning and management, the bringing together of all classes and social groups on the basis of the socialist interests and communist ideals of the working class, fostering the socialist consciousness, perfecting and developing socialist statehood and democracy.

II

Socialist democracy is one of the world-historic gains of the Great October. Democracy has revelaed itself for the first time in its true meaning, that is, as the power of the people. For the first time real civil and political equality of rights has been won by those who never experienced it under any exploitative system — the working people. For the first time the principles of democracy have been extended to all spheres of the life of society, including its basis — production relations.

Democracy, which is natural and necessary in the conditions of socialism, is not something that is fixed and static in its forms, functions and manifestations. It develops as society develops as a whole. It is possible, of course, to assess the level of development of socialist democracy only if one has a clear criterion for doing so. Marxist-Leninists have such a criterion. Under socialism, Lenin observed, 'for the first time in the history of civilized society, the *mass* of the population will rise to taking an *independent* part, not only in voting and elections, *but also in the everyday administration of the state*' (Vol. 25, pp. 487-488). This was and remains for us the main criterion, the criterion which we take for measuring the successes of our democracy, determining the paths of its further development and improvement.

On the basis of this criterion we can say quite justifiably that our society of developed socialism has also become a society of developed socialist democracy. *At the stage of mature socialism, in the conditions of the state of the whole people the increasingly broad and active participation of the working people in administering the life of the country has firmly established itself as the central trend of the political development of Soviet society.*

The most representative organs of our state power, the *Soviets,* are working more effectively today. The democratic principles of their formation and activity have been further developed. The prestige, the

powers of the deputies have grown and their ties with the masses have strengthened.

At the present time we have more than 2.2 million people's deputies. And if we take into account those previously elected to the Soviets, the country has many millions of people who have been through the great school of government, of political leadership. Twice as many questions are considered and decided in the Soviets today than ten years ago. Most of these questions are studied in advance by standing commissions of which there are at present 330,000. Beside the 1.8 million deputies, 2.6 million other citizens, activists, take part in their work.

The working people's demands on those whom they elect as their representatives have become stricter. It is well known that the voters' right to recall their deputy is an important element in our democracy. In the past ten years about 4,000 deputies who, in one way or another, had not justified the trust of their constituency, were recalled from Soviets at various levels, including the Supreme Soviet. So this democratic right is not merely proclaimed, but carried out in practice and serves as a good means of raising deputies' sense of responsibility for their activities.

The deputies report back more regularly to their constitutents. At the suggestion of deputies of the USSR Supreme Soviet a clause has been introduced into the new Constitution specially emphasizing the obligation of the Soviets and the organs which they set up to keep the population well informed about their work and the decisions they take. This promotes a more consistent realization of the principle of publicity — the key principle of the activities of the Soviets, of which Lenin said that they were 'an authority open to all, it carried out all its functions before the eyes of the masses, was accessible to the masses, sprang directly from the masses, and was a direct and immediate instrument of the popular masses, of their will' (Vol. 10, p. 245).

The Soviets, which form the basis of the political system of the USSR, are the major instrument for the exercise of genuine people's power. But socialist democracy also has a good many other, constantly improving forms of participation of the working people in the administration of the state and public affairs. Some of these forms of people's power were not previously formalized in the Constitution. But they arose and developed in life. And it is about them that I should like to speak in somewhat greater detail.

Nationwide discussions have become an established feature of the practice of our democratic life. Not a single state plan for the development of the national economy, not a single major act of legislation — on marriage and the family, on pensions, on questions of

protecting nature, for example — has been passed in recent years without nationwide discussions of the draft.

Clearly, the question of the new Constitution, of what kind of Constitution it should be, could be posed only at such a nationwide forum. The Constitutional Commission set up by the USSR Supreme Soviet prepared, with the help of a large number of scientists, legal experts, experienced officials of the state apparatus and public organizations, the draft of the Fundamental Law, which was then discussed by more than 140 million people, more than four-fifths of the adult population. They spoke at meetings of workers, of party, trade union and Komsomol organizations, at sessions of the Soviets, on radio and television. They wrote to the newspapers and the Constitutional Commission. The 180,000 letters from working people are living, genuine documents of our democracy.

Those who were in close touch with the life of our country in those days know that this was a time of tremendous upsurge in creative energy, a time of heated discussions, of arguments between people deeply concerned with the subject. Soviet people put forward nearly 400,000 proposals on specific amendments to the draft of the Fundamental Law. Many of them had to do with key questions of our life — the role of labor under socialism, the definition of the social basis of the Soviet state, the taking into consideration of voters' mandates in the work of the Soviets, the citizens' duties to protect socialist property, the right to practise small, subsidiary farming, etc.

The Constitutional Commission had to work hard to analyze and classify the proposals submitted before presenting its recommendations for endorsement by the Supreme Soviet, which, taking into account all opinions expressed in the course of these nationwide discussions, introduced amendments to 118 (of the 173) articles and added one new article.

So, when we say that the actual maker of the Constitution is the whole Soviet people, it is not an exaggeration, not just a fine-sounding phrase. It is a fact. And it shows that in our country we do not have alienation of the working people from political power, that that eternal feature of exploitative society, the masses' distrust of everything to do with the state, has been completely overcome.

During the discussion of the draft Constitution Soviet people showed in full measure their exacting, proprietary attitude to all matters concerning society. Many sharply critical remarks were addressed to various institutions, enterprises, organizations and their administration. We pay all due attention to the criticisms voiced by the public and seek to remove the shortcomings that they reveal. In freedom of criticism our party sees an effective instrument for the

development of democratic society, an indispensable condition for the normal functioning of all its institutions.

Participation in nationwide discussions helps Soviet people to become more clearly aware of the close connection between their daily affairs and the wide horizon of social development. This connection between the working people's interests and aspirations and the key objectives of communist construction also manifests itself vividly in the socio-political activity of the *production teams*.

Questions concerning the role of the production team in our society figured prominently in the discussion on the draft Constitution. This is understandable. After all, it is in this primary unit of our social organism that the initiatives affecting the life of the whole country are born and developed.

Suffice it to say that the drawing up of the state plan begins from the production team. And it is natural that its fulfillment and overfulfillment also depend, to a decisive degree, on the efficiency and initiative of the production teams. Take, for example, the Moscow No. 1 Car-and-Tractor Electrical Equipment Plant. Its production team, when discussing the tenth five-year plan, made more than 200 proposals, most of which were put into effect. The result was that the factory produced additional output worth 2.1 million roubles.

Many questions going beyond narrow production interests are decided in the production teams. These questions range over the organization of socialist competition, distribution of the material incentive funds, improving of professional skills, deployment of personnel, and concern for the rest and leisure, for the everyday life of the working people, the satisfaction of their spiritual needs. Raising the quality of medical care, further defining the principles of the use of the growing housing fund, more energetically combating red tape, devoting more attention to the moral upbringing of the young people, these are only a few of the highly significant social problems raised by the production teams in connection with the discussion of the draft Constitution.

In accordance with numerous proposals made by the working people, broad rights in the discussion and deciding of state and public affairs, in administering enterprises and institutions have been formally assigned to the production team in the new Fundamental Law; the very article on the role of the production team has been transferred to the chapter on the political system of the USSR.

The deepening of socialist democracy has become one of the driving forces of the country's economic progress. In its turn, the multiplication of the production resources and national wealth of Soviet society has become an important factor in strengthening and developing its democratic principles.

In the conditions of mature socialism the economic basis of socialist democracy has expanded, the rights of citizens have acquired a more substantial material content, and the guarantees of these rights have become more effective. Anyone who compares the new Fundamental Law of the USSR with the previous Constitution can be sure that it reflects qualitative changes in the extent of the rights and freedoms of the Soviet person.

The new Fundamental Law, it goes without saying, fully confirms the freedoms written down in the previous Constitution — freedom of speech, the press, assembly, meetings, processions and demonstrations. At the same time other political rights that have long since become common practice in public life have been formalized in the Constitution. Of fundamental importance is the new article proclaiming that the citizen of the USSR has the right to participate in government, in administering public affairs. Compared with the previous Constitution, the new Fundamental Law grants Soviet people more rights in the protection of their personal interests. The safeguards of citizens' political rights have also been strengthened. For example, it is obvious that the right to criticize becomes more meaningful when, as has been done in the Soviet Union, it is backed up by a constitutional clause forbidding any persecution for criticism and tne stipulation that anyone guilty of violating this clause shall be punishable by law.

Now about the socio-economic rights concerning the very foundations of people's life. I will cite only a few examples by which the advances in this sphere may be assessed. The right to work has for decades been regarded as a matter of course in our country. Today it incorporates the right to choose a profession, the kind of occupation and activity corresponding to one's vocation, professional qualifications, and so on. We can now give our citizens this guarantee because we have created an economy which makes not only a steadily growing, but also a more varied demand for labor power, for specialists. We can also guarantee this right because we have evolved a highly developed system of general and special education, of professional training and improving skills.

The new Constitution endorses the vitally important right to housing. This was not mentioned in the previous Constitution. Today a reliable material base has been created for this right. Seven times more housing is built annually than in 1936. The right to material security in old age was also written down in the previous Constitution. But today, in comparison with 1936, there are dozens of times more people in advanced age who enjoy this right. And the average state pension has increased almost threefold.

The fact that socialist democracy proclaims not only political but

also socio-economic rights, that it not only proclaims them but guarantees them, constitutes one of the fundamental features distinguishing it from bourgeois democracy. In a society of mature socialism with its highly developed economic potential this distinguishing feature of socialist democracy stands out in bold relief.

Providing wide scope for the political, economic and spiritual activity of citizens, their representatives and organizations, our democracy guides this activity toward goals that the whole people, all of society are interested in attaining. At the same time it must ensure expression of the multiform specific interests of various groups, dovetailing and coordinating them with the interests of society as a whole. A big part of this work is played by *public organizations*.

Thus it is one of the indispensable concerns of the trade unions to protect the interests of labor. They act resolutely and unhesitatingly when any manager of an enterprise forgets the standards laid down in labor legislation or the social needs of the working people. Last year, nearly 10,000 such administrators were removed from their posts at the demand of trade union committees. But we do not have the conflict between labor and capital, between workers and employers, that is intrinsic in bourgeois society. In such conditions the trade unions give best expression to the interests of the working people by organizing their participation in the management of production, in administering all public affairs. A result of this, for example, is the activity of the standing production committees. There are 130,000 of these in the USSR today and 64 per cent of their members are workers. Every year 1.5 million proposals for increasing production efficiency are submitted by these committees. Obviously this brings considerable benefit to the national economy. But at the same time the material possibilities for better satisfaction of the social and everyday needs of the working people themselves are expanded.

Or, let us take the Komsomol — our youth organization. Young people have an urge for the romantic. And when the Komsomol, for example, attracts hundreds of thousands of young men and women to the construction of the Baikal-Amur railway, it combines the young people's specific interests with a great nationwide interest — the building of a new transport artery in Siberia.

In short, socialist democracy ensures a sensitive response to the growing diversity of social interests and opens up a broad field for the initiative and socio-political activity of the masses.

The development of socialist statehood and socialist democracy is a process in which the key role belongs to the Communist Party. The CPSU has been promoted to the role of leading and guiding force of our society by the victory of the October Revolution, by the whole

60-year history of the Land of Soviets. This role of the party is clearly reflected in the Fundamental Law of the Soviet state.

In guiding the activities of the Soviets, the CPSU does not take their place; it strictly delimits the functions of party and state organs and pursues its line primarily through the communists working in them. The essence of this Leninist principle is clearly expressed in the Fundamental Law, which stresses that all party organizations function within the framework of the Constitution of the USSR. Like all the Soviet people, Soviet communists are fully aware that no privileges accrue to the party from the constitutional formalization of the leading role of the CPSU in our state and our society. On the contrary, this places additional responsibility on the party because its guiding role is carried out not by the force of authority but thanks to its high political prestige and ideological influence among the masses.

The efforts that the party constantly makes to strengthen socialist legality and law and order help to extend the democracy inherent in the nature of our social system.

As we know, one of the standard methods of present-day anti-communist propaganda trying to discredit the Soviet system is to cite the illegal repressions, the violations of the principles of democracy and socialist legality that occurred during the years of the personality cult. Of course, they prefer to ignore the fact that it was the CPSU that openly and uncompromisingly condemned such practices committed in contravention of the principles of the Constitution, carried out extensive work to establish Leninist standards of party and state life, and created firm safeguards against the abuse of power and violations of citizens' rights.

The communists have always regarded the realization of democratic rights and freedoms as an effective weapon of the working people in the struggle for socialism and communism. Knowledge of one's rights, the ability to apply them in the interests of building the new society is a most important feature of the Soviet person's active, life-asserting position, his high level of political culture, the formation and development of which have always been and remain at the focus of our party's attention. It goes without saying that the citizen's understanding of his responsibility to society, his high patriotic duty to work honestly and conscientiously for the benefit of the people, to be always ready to defend the revolutionary gains of the motherland of October, forms an indispensable element of political culture. The idea that performance of civic duties is just as much a necessary element of democracy as the exercse of rights and freedoms was expressed by very many participants in the discussions of the draft Constitution. And this idea is clearly expressed in the appropriate articles of our Fundamental Law.

We stand firm by the position that the democracy of socialism is incompatible with any barracks-type bureaucratic order or any anarchistic libertarianism in relation to socialist principles, standards and laws. As we know, the banner of the First International, founded by Marx and Engels, bore the words: 'No rights without duties, no duties without rights.' Today this slogan of the Working Men's International Association has become one of the important principles of the life and work of Soviet working people.

The rise and development of socialist democracy is a complex process. We are well aware that in this sphere we also have unsolved problems and difficulties. There is much work to be done in bringing all the standards of our legislation into accord with the new Constitution. We believe that considerable reserves lie in improving the work of all departments of the state apparatus, which should take a more responsive attitude to creative initiative, to the needs and anxieties of the working people. We also expect more exactingness, more effectiveness from the agencies of people's control, whose importance and authority have been raised by the Constitution that has come into force.

We are doing everything necessary to perfect Soviet democracy, to develop our statehood in the direction of communist social self-government. The adoption of the new Constitution of the USSR is another big step along the road to this great goal of the communists of all countries.

III

The establishing and development of the world's first socialist state has always aroused great interest beyond the borders of our country, leaving neither the supporters of socialism nor its class adversaries indifferent. It is quite natural therefore that the major advances in the development of the political system of Soviet society formalized in the new Constitution of the USSR, and the actual process of its discussion and adoption, have attracted the attention of the whole planet. A number of trends indicating the international significance of this major event in the life of the Soviet people may be singled out.

Above all, our country's new Constitution contributes to the theory and international practice of the construction of socialism, enriching them with the experience gained in organizing the first ever socialist state of the whole people.

Revealing the fundamental importance of internationalizing revolutionary experience and creatively assimilating everything valuable produced by the struggle of the working people throughout the world, Lenin noted that each attempt, taken by itself, to build a new society might be one-sided and suffer from certain inconsistencies, that

'complete socialism' is created 'by the revolutionary cooperation of the proletarians of *all* countries' (Vol. 27, p. 346).

It is known that in working out their own constitutions the fraternal countries which embarked upon the road of socialism later than us took into consideration the achievements of Soviet legislation, which was then the only source of practical experience of socialist state construction. Today, in many of these countries the task of building a developed socialist society is being posed and successfully accomplished. And, as the leaders and the press of these states have noticed, the new Soviet Constitution is a useful document for defining the perspectives of their own development.

In drawing up the new Fundamental Law of the USSR we, in our turn, relied not only on the constitutional experience of Soviet history but also paid great attention to the practice of other socialist countries. This helped us, in particular, to enrich the content of certain articles of the Constitution concerning citizens' rights and duties and to improve its general structure.

Taken as a whole it is nothing else but an accumulation of collective experience of socialist state construction. And the richer this experience the more clearly the general patterns of formation and development of socialism's political system emerge, the more fully their international importance is revealed. The essence of the matter, of course, is not that certain stereotypes take shape which have only to be copied. The essential point is that scientifically grounded and practically tested guidelines are evolved that in the specific conditions of various countries help them to find the correct solutions to the complex problems of asserting and developing socialist statehood and socialist democracy.

Life has proved that such guidelines can be of use not only directly in the building of socialism, but also on the roads toward it. This is shown, for example, by the character of many of the comments on the new Soviet Constitution in the countries of Asia, Africa and Latin America. Prominent figures and the press of these countries note that the experience of socialist construction reflected in our Constitution contains a great deal that is of value to peoples who, after liberating themselves from colonial dependence, are confronted with the choice of a path of further development, with the problems of strengthening their national statehood.

The international importance of the new Constitution of the USSR is determined also by its indisputable *influence on the course of the contemporary contest between the two world systems*.

By the very fact of its existence, its example, socialism has always exerted a positive influence on the internal life of the capitalist countries and helped in the just struggle of the progressive forces. The new

Constitution, incorporating all the 60-year experience of our country's development along the path of October, multiplies the magnetic force of the socialist example. It patently reveals the practical paths toward effective and truly democratic solutions of the problems of social development in the interests of the working people.

The truth about socialism, about its democracy, embodied in the Constitution, gives the communists of the world an effective ideological weapon in the struggle with our common class enemy — imperialism. This is pointed out by the representatives of many communist and workers' parties.

It stands to reason that the Constitution of a developed socialist society has proved unpalatable to those who are fighting against socialism, who spare neither effort nor resources to prevent the victory of the new system. In the report at the Session of the USSR Supreme Soviet on October 4, 1977, I spoke of the most characteristic attacks that our bourgeois opponents delivered at the draft Constitution. Since its adoption the picture has not changed in this respect. So I am not going to repeat myself here. Readers can study our position on this question from the text of the report, which examines the arguments of bourgeois propaganda and shows their contrived and hypocritical character.

We know that there are still a good many people in the world who take at face value the inventions of propaganda that denigrates the Soviet state and socialist democracy. I am confident that their numbers will be reduced as the world learns more about the new Constitution of the USSR and the life of our people. In this connection I should like to express my gratitude to the communist and workers' parties of the non-socialist part of the world who, often in the difficult circumstances of rampant anti-Soviet campaigns, do so much to give a true picture of life in the Land of Soviets, to provide an objective analysis of the problems of developed socialist society. The more people learn about the achievements of socialism and the more clearly they visualize the scale and complexity of the problems that it had to solve and has solved, the more convinced supporters there will be of the new social system and the firmer will be the political and ideological positions of world socialism, of all the Marxist-Leninist parties — the leading force in the fight against imperialism, and for peace, democracy and social progress.

Yet another aspect of the international importance of the new Soviet Constitution is that in both spirit and letter it serves the cause of peace, the security of the peoples, the strengthening of the anti-imperialist solidarity of all progressive forces.

All the aims and thoughts of our people revolve around peaceful, creative endeavor. In the USSR and other socialist countries, as

distinct from the imperialist states, there are no classes or social groups that have any interest in the arms race, in military preparations. By including in the new Constitution a special chapter formalizing the peaceful character of the foreign policy of the Soviet Union, our people have once again stressed their determination to follow the Leninist course of peace, the course of ridding humanity of the horrors of war, of the material hardships and mortal dangers implicit in the arms race. This chapter contains clauses corresponding to the fundamental obligations that the Soviet Union has undertaken as a participant in vital international agreements, including the Final Act of the Helsinki Conference. Indisputably this imparts additional weight to the efforts that are being made in the world for a further normalization of the international situation, for the development of détente.

The Soviet Union is a component of the world system of socialism. A profound and consistent international solidarity unites our party, the whole people with the progressive, liberation forces of the world, with the international communist movement. It is natural therefore that the Constitution should clearly reflect the class character of the Soviet state's foreign policy, its social ideals and political sympathies, its traditional support of the peoples' struggle for national liberation and social progress. It also reflects the positions that have been worked out by the CPSU on a collective basis together with the other communist parties and have been recorded in their joint documents, for example, at the Berlin Conference of Communist and Workers' Parties of Europe.

In short, our Constitution elevates to the rank of a state law of the USSR that which constitutes the every essence of the foreign policy of the socialist state — its concern for peace, for the creation of international conditions consonant with the struggle for national freedom and social progress, for socialism and communism.

In making the new Constitution we worked on the assumption that it would become an important means for the further development and deepening of socialist democracy, a powerful instrument for building communism.

The discussion and adoption of the new Fundamental Law of the USSR have evoked a powerful upswing in the labor and sociopolitical activity of our people directed toward accomplishing the great tasks posed by the 25th Congress of the CPSU, toward the building of communist society. In fulfilling these tasks the Soviet people, rallied closely around their Leninist Communist Party, see not only their great patriotic duty, but also their internationalist duty to the world's working class, to all humankind.

The Great October and the world revolutionary process

Alvaro Cunhal
General Secretary, Portuguese CP

No event has won such indisputable world recognition of its historic significance, nor does any event arouse such widespread and keen interest, as the proletarian revolution in Russia. This is perfectly natural and justified.

Indeed, international relations and the whole of contemporary social development bear the deep and decisive imprint of the first victorious socialist revolution and the formation of the first state of workers and peasants.

While world development has been exceedingly uneven, the past 60 years of deep-going social changes brought about by the October Revolution indicate that imperialism is bound to lose and that socialism, freedom and peace are the future of mankind.

To mark this memorable date today is to survey the outstanding victories and successes of the Soviet Union and the revolutionary gains and changes achieved by the masses and peoples over the past six decades.

The October Revolution shook the world. For the first time in history the working people won power and set out to build a society without exploiters and exploited. The international impact of the revolution grew as its goals were attained and as developments confirmed the irreversible character of the world process that had begun.

Led by Lenin's party, the first state of workers and peasants built a socialist society and beat off all the fierce attacks against it — economic blockade, armed intervention and a war of aggression. It defeated all its enemies. Through titanic effort and heroic struggle, at the cost of enormous privations, a powerful socialist state was built and a multinational society established, a society based on the equality of all nations, the most advanced, progressive and democratic society ever.

The Soviet Constitution adopted shortly before the 60th anniversary of October is evidence of the unprecedented achievements of the Soviet people, a confirmation of the progressive changes they have accomplished. It formalizes the citizens' rights and freedoms and

defines the new historic tasks of the country on its road to communism.

What the Soviet people have done by materializing the centuries-long aspirations of the working people and progressive mankind has tremendous appeal for the exploited and oppressed all over the world. It has inspired the working people of capitalist countries and peoples in colonial bondage to fight, and has added to their resolve and their confidence in their strength.

After 1917 communist parties sprang up and developed in numerous countries. The working-class movement led by its revolutionary vanguard became a political and social force shaping the character of historic changes.

There were other socialist revolutions that triumphed. The world socialist system came into being. The national-liberation movement developed into a powerful revolutionary stream. The colonial system fell apart and peoples and nations oppressed for centuries won independence.

The founding of the Portuguese Communist Party (PCP) in 1920-21 was a natural result of the increased political awareness of Portugal's working people, who had come to realize the disastrous influence of the anarcho-syndicalism and reformism dominating the working-class movement at the time, and the need for a new type of organization — a revolutionary vanguard — the need for a class ideology and methods of struggle immune to bourgeois pressure and influence.

This process would have been greatly slowed down but for the impact of the October Revolution, the experience of the Bolshevik Party and the spread of Lenin's ideas. In spite of a sustained campaign against the first state of workers and peasants — a campaign involving anarchist and socialist leaders — the working people of Portugal, like those of all other countries, received sympathetically every bit of information on the October rising of the proletariat, identified themselves with it, formed groups in support of October and brought out publications defending the revolution.

This public movement and the solidarity shown by it played a decisive part in hastening the formation of the PCP. A turn began in the Portuguese working-class movement, making possible a heroic fight against the fascist dictatorship that culminated in victory for the democratic revolution.

The fight which the workers, the communists, all the people of Portugal carried on throughout the 48 years of fascist rule was arduous and exacting. It had its victories and its setbacks. But it was no less complicated after the overthrow of the dictatorship on April 25, 1974. Nevertheless, the PCP became a major national political force and the working-class movement reached a high degree of

organization, unity and efficiency. The revolution resulted in gains and victories of vast importance for the life and subsequent history of the people.

Credit for every fundamental political, social and economic change taking place in the world in the course of recurrent struggles and mass actions involving millions of working people, of revolutions, wars and battles of liberation, is due to the peoples themselves. to the revolutionary forces. But they all bear the stamp of the Great October Socialist Revolution and the subsequent victories, achievements and experience of the Soviet Union and the CPSU by virtue of their impact on world development, their solidarity and their decisive contribution to the change in the balance of international forces that is to the detriment of capitalism and benefits socialism.

This also applies to our revolution, the proud achievement of the people and revolutionary forces of Portugal. The growth of these forces, the impact of democratic ideas on the people, the Portuguese working people's recourse to the ideas of socialism, and a world situation favorable to the victory of the revolution and the attainment of numerous of its objectives are inseparable from the October Revolution and its influence on international relations, from the support and continuous firm solidarity of the Soviet people, whom Lenin's party has educated in the spirit of proletarian internationalism.

Backed by the working people and progressive forces of all countries, the Soviet people, for their part, have invariably and actively identified themselves with these forces. Just as thousands upon thousands of revolutionaries of all countries have gone through persecution and imprisonment, some of them paying with their lives for solidarity with the first state of workers and peasants, so the communists and people of the Soviet Union have spared no effort and millions of them have given their lives for the liberation of the peoples of the world, for the salvation of civilization from the fascist plague.

If the working people and progressive forces of the world, who identified themselves with the October Revolution and supported the Land of Soviets, have good reason to consider that they have contributed their share to the building of socialism in the Soviet Union, then it is also fair to say that the Soviet people and the CPSU have made a tangible contribution to every subsequent socialist revolution, every victorious struggle for national liberation and every progressive revolution, have contributed to the progress and gains of the working-class movement of the world.

The October victory and the Soviet Union's further gains are a factor for the victories and gains of the world revolutionary process.

Assimilation of the experience and fundamental lessons of the

October Revolution is not only important but indispensable if the revolutionary forces of a country want to find the right road.

It is not a question of duplicating the 'model' of the revolution. Revolutions are not copied, nor can they be imitated. Mechanical use of the experience of others inevitably leads to serious reverses. Just as the situation in a given country differs from that in any other, so the revolutionary processes going on there are different. If the masses and their vanguard involved in any truly popular revolution avoid stereotyped patterns and a priori concepts their creative ability will prove its worth.

Experience shows that to find ways and means of furthering the revolution there must be a profound scientific analysis of the realities of each country, the various aspects of its economic system, the stage reached by its society, the interests, trends and alignment of its class forces, the objective and subjective factors, the sentiments, aspirations and traditions of people. Lenin stressed the need to 'seek out, investigate, predict, and grasp that which is nationally specific and nationally distinctive, in the *concrete manner* in which each country should tackle a *single* international task' (*Coll. Works,* Vol. 31, p. 92). To search for ways and solutions with due regard to the conditions prevailing in the given country is both a right and a duty of its communist party.

The PCP noted certain aspects of the domestic situation in the program adopted by its Sixth Congress, held illegally in 1965, when fascism was still in power. The program described Portugal as a backward country having, however, highly developed capitalist production relations; as a country whose industry was behind that of advanced countries and whose agriculture was technically primitive but which showed a high degree of concentration of capital and had a numerous industrial and agricultural proletariat; as a country ruled by a terroristic regime, a centralized militarist state in which, however, there was a powerful, large-scale labor and democratic movement; as a country economically dominated by imperialism but at the same time dominating many peoples and exploiting them by colonial methods.

Having analyzed these and other aspects of the domestic situation, the PCP came to the conclusion that the Portuguese revolution at the given, national democratic, stage of development had distinctive characteristics, and that the objective of winning political freedom must be combined with the objective of bringing about radical changes in social and economic structures (through nationalization and an agrarian reform). The party also concluded that to assure the final victory of the revolution it was indispensable to do away with both the political and the economic power of monopoly, deliver the

country from imperialist domination and end Portuguese colonialism by recognizing the right of the peoples it oppressed to immediate and full independence.

The PCP advocated a broad anti-monopoly, anti-latifundium and anti-imperialist front and stressed the necessity for a popular rising that would under all circumstances involve and neutralize a substantial part of the armed forces so as to overthrow the dictatorship.

The Portuguese revolution proved the party's main propositions, line and forecasts to be correct. It also revealed the unprecedented creative energy released by revolutions, and the peculiarities and new, unexpected developments they lead to.

The more important characteristics and peculiarities of the Portuguese revolution include an alliance of the people and the Armed Forces Movement as the expression of a broad anti-monopoly and anti-latifundium bloc; deep-going revolutionary changes and the subsequent establishment of a vast non-capitalist economic sector as a result of action by the masses, in spite of the lack of revolutionary authority in the country and of a new state in the service of the revolution; far-reaching reforms — primarily nationalization and an agrarian reform — that were emergency measures to save democracy and the national economy, which were threatened by economic subversion, conspiracies and attempts at a counter-revolutionary coup.

The changes that were carried out reached so deep that although they have for almost two years been under fierce attack from reaction and the Socialist government, the basic industries remain in the public sector and there are still nearly 500 collective production units and cooperatives through which the working people direct farming on roughly one-fifth of the country's cultivated land area.

The PCP leads the working class and other working people and has played a role of the first importance in the progress of the Portuguese revolution; it is carrying on a difficult struggle for the interests and rights of the working people, the gains of the revolution, freedoms, democracy and national independence, which are jeopardized by the policy of restoring the power of monopolies and latifundium owners and of imposing imperialist domination, a policy being persistently pursued by the Socialist government in alliance with reactionary parties.

Contrary to slanderous allegations, the PCP has never adhered to dogmatic criteria. It has always operated in accordance with an objective analysis of reality in an open and innovating spirit which, far from running counter to international experience, demands its assimilation, great firmness on fundamental issues and loyalty to Marxist-Leninist principles.

As a result of struggles by the masses and peoples and by their

revolutionary vanguards in the 60 years since the October Revolution, the revolutionary movement has gained immense experience which it is important to study and spread on an international scale. For six decades now, new situations, new developments in public life, a radical change in the political make-up of the world, the revolutionary practice and creative theoretical work of the revolutionary vanguards of all countries have been contributing historical lessons to the treasury of Marxism-Leninism.

However, nothing could be more dangerous than to make overhasty generalizations of one's experience, to construe the specific, distinctive aspects of the revolutionary process in one's country as a refutation of the general laws of the world revolutionary process or oppose one's general deductions, mistaken for everlasting truths, to the international experience of the revolutionary movement.

To choose the right road for the revolution, it is necessary, in addition to scientific analysis of the situation, to take into consideration both the experience of revolutionary struggle in one's own country and the experience and lessons of the international revolutionary movement, including those of the October Revolution, for they are still the greatest storehouse of revolutionary theory and practice.

While every revolution has its peculiarities and distinctive aspects, creates unexpected and unprecedented situations and provides new experience, they all show fundamental common features stemming from the objective laws of social development and of the revolutionary process itself, and also from the coincidence of the main goals, which are common to the working class and other working people of all countries.

To put an end to the division of society into antagonistic classes and to exploitation, it is necessary to carry out a series of basic measures which may be defined as objective laws of building socialism. These are the winning of power by the working people, the abolition of capitalist ownership of the main means of production, a planned economy, the reorganization of agriculture on socialist lines, an all-round improvement in the working people's living and cultural standards, and economic, social and political democracy conceived as an integral whole.

The principal characteristics of the socialist revolution, which manifested themselves during the October Revolution and were confirmed by the world revolutionary process, are the leading role of the working class, which is at the head of the masses; the necessity for an organized revolutionary vanguard guided by Marxism-Leninism; the decisive importance of the alliance with the peasantry, a correct policy of alliances, the break-up of the state machinery of the ruling classes overthrown by the revolution, and the establishment of a new

state serving the interests of the working classes and their allies; the inevitability of stubborn, desperate and bitter resistance by the exploiting classes, which will stop at nothing.

Within the framework of certain common features that are of a universal nature there may arise different situations making for a great variety of specific political and economic solutions. The ways in which power is exercised may differ. The system may be one-party or multi-party. The various aspects of democratic freedoms may take different forms. The activity of the state in defense of the new system may assume different forms depending on the degree and nature of the resistance offered by the exploiting classes.

The socialist countries have furnished examples of widely differing approaches to these problems. Other countries will inevitably test new solutions, as many parties stress in their program documents.

But irrespective of national distinctions, the road to the liberation of the working class of capitalist countries passes through struggle against the existing state of affairs in this or that country and throughout capitalist society. Every program aimed at building socialism is directed against the exploitation, oppression, discrimination and degradation existing under capitalism, which are practised, if to varying degrees and in varying forms, under fascist and reactionary dictatorships and bourgeois democracy alike.

To set one's program on account of its special, distinctive aspects, not against capitalist society, but against the socialist countries at their present stage of development would mean dampening the faith of the working people of one's own country in the socialist cause and their determination to fight for it.

A task of decisive importance in rousing the masses to struggle against capitalist exploitation and oppression, for socialism, is to acquaint the working people of capitalist countries and the peoples that have won freedom from imperialist oppression with life in the socialist countries, first of all the Soviet Union, with their realities and achievements, with the benefits, freedoms and rights which the October Revolution and other socialist revolutions have provided for their peoples.

Each socialist revolution follows a path of its own and solves its national problems largely in its own way. But the working people's liberation revolutions also have common features which draw them closer together and unite them in one historical process typical of a new epoch, the epoch of transition from capitalist to socialism initiated by October.

The October Revolution, subsequent achievements and victories of the Soviet Union and CPSU policy over the past 60 years are factors that determine the unity of the diverse forces of the world revolu-

tionary process. To extend and strengthen this unity is still decisive for defeating imperialism. This is why imperialism, unable to stop by force the mounting liberation struggle of the masses and peoples, is doing its utmost to loosen the unity of the revolutionary forces and divide them.

Imperialism tries to cause difficulties and friction in relations between socialist countries, prevent the peoples that have shaken off imperialist domination from maintaining friendship and cooperating with these countries and the communist movement, range the communist parties of capitalist countries against the socialist countries, and foment discord between the communists of different countries.

The class enemy and his allies persevere in slander campaigns; they use intrigues, political pressure, diplomatic maneuvers, provocation, ideological and economic subversion, alternating these methods with offers of 'aid' to this or that country.

Whenever seeming contradictions arise, whenever national narrow-mindedness, differences or merely divergent views appear, imperialism and reaction try to create or aggravate an atmosphere of division and conflict, using either crude or refined forms and methods as circumstances require.

The Soviet Union is no longer the only socialist state in the world, as it was for decades. Socialist revolutions have for ever eliminated capitalist exploitation in a number of other countries as well. Many countries which have freed themselves from colonial oppression firmly adhere to a socialist orientation under the leadership of revolutionary parties. Imperialism and reaction act against these countries and peoples in an effort to prevent them from cooperating to achieve independence and social progress.

However, the Soviet Union is still the main target, for it remains, as it has been ever since the October Revolution by virtue of its achievements, example, economic and military power and consistently internationalist policy, the main advanced post of the working people and progressive forces of the planet, the main safeguard of international peace, the main factor in the revolutionary process, in the unification and the unity of the revolutionary forces of the globe.

Anti-Sovietism is the pivot of ideological activities directed against the aspirations, goals and ideals of the working class and other working people, of the peoples exploited and oppressed by capitalism. It is the pivot of divisive and subversive activities of the enemies of democracy, socialism, peace and national independence.

Just as they did in the fascist period, Portugal's reactionaries and other forces hostile to the socialist trend of the Portuguese revolution use anti-Sovietism and anti-communism to undermine the working people's faith in their class party, socialist ideals and the socialist

future of their country, to split the working people, hamper the achievement of Communist-Socialist unity and isolate the PCP internationally.

In our country as in others, imperialist propaganda uses particularly refined methods when alleging that an anti-Soviet posture is likely to benefit the growth of communist parties, facilitate the advance of socialism and the independent construction of new societies by peoples who have gained freedom from colonial rule.

Imperialist propaganda looks ridiculous when it advises communist parties to dissociate themselves from the Soviet Union if they want to succeed and urges them to take a stand against that country and embark on an anti-Soviet course. As if anyone willing to see the truth could believe that imperialism wishes the communists success.

The rapid development of the working-class movement and the revolutionary process, and deep changes in the social and economic structure effected after the downfall of the fascist dictatorship have resulted in such reactionary resistance that every imaginable method, argument or means of pressure is used to isolate the PCP and move it away from the Soviet Union and other socialist countries, the communist parties of other countries and the popular movements and revolutionary parties of one-time Portuguese colonies.

It is particularly important to mention the enormous international campaign of falsification and misinformation in regard to the situation in Portugal, which internal and external enemies of the Portuguese revolution use to present conservative, reactionary and even counter-revolutionary forces as democratic. They try to arouse hostility against the revolutionary forces, above all against the PCP, which is pressing forward the fight begun under fascism and is now the staunchest political force defending democratic freedoms and democratic rule.

The Portuguese communists' unfailing friendship for the Soviet Union and other socialist countries, as well as for the countries which have won freedom from Portuguese colonial rule, causes hysteria among the reactionaries, colonialists and social democrats, who barefacedly accuse the Communist Party, as they did in fascist years, of not being an 'independent' and 'national' party. Some insist that the PCP should publicly criticize the Soviet Union and other socialist countries, others want it to stop identifying itself with the peoples of Mozambique and Angola and their revolutionary parties, and still others are doing their best to involve the PCP in a sharp controversy with this or that fraternal party.

Pressure to shift the PCP from its principled positions takes the form of advice from false friends and protectors and demands from

allies as a condition of 'mutual understanding,' demands that include gross threats of a ban on the party and brutal repression.

The PCP has never given in to these threats and pressures and never will. Contrary to the assertions of its enemies and opponents, its national and internationalist policy and its loyalty to the principles of proletarian internationalism have been factors in strengthening the party as an organization, in building up its influence and enhancing its prestige.

Proletarian internationalism, the mutual support and reciprocal solidarity of the working people of all countries, is based on the irreconcilable antagonism of interests between the working class and the bourgeoisie of the country concerned, and the community of interests and goals of the working people of all countries. Hence, the working people's unity and solidarity, which find revolutionary expression in the unity of the world communist movement, are the main, decisive force of anti-imperialist solidarity and unity, as well as of the system of alliances with other social and political forces.

The world communist movement has unquestionably become a major political force. Its influence on international relations, far from diminishing, is increasing. In view of the mounting struggle against imperialism and the collapse of the colonial system, many peoples and nations which have won independence are realizing more and more (and this a new phenomenon) that development on capitalist lines results in subjection to imperialism and that the struggle to achieve and consolidate national independence is also a struggle for socialism. As in Europe, Asia and Latin America, the new independent countries of Africa are resolutely opting for socialism.

This situation also gives rise to another new phenomenon of truly historic significance, namely, the transformation of national-liberation movements and organizations into Marxist-Leninist parties. This evolution is expanding both the world communist movement and the anti-imperialist front.

The socialist countries, the working class of the capitalist countries and the national-liberation movement, those powerful revolutionary currents, are merging in one irresistible stream that is freeing and will completely free mankind from capitalist exploitation and oppression.

Forming around these main forces at both national and international level is the entire complex system of alliances with other democratic and progressive socio-political forces.

These forces' growth and dynamism and their ability to change and transform the world depend in decisive measure on their cooperation and unity. This cooperation and this unity are inseparable from the progress and policy of the Soviet Union and the CPSU, which are inspired by the ideals, experience, lessons and humanist goals of the

October Revolution, whose 60th anniversary was commemorated a short time ago.

Past years have confirmed the international significance of October. Amid the storms raised by an imperialism in its death agony, the October Revolution continues to illuminate like a beacon the road leading all working men and all peoples to their complete liberation. The 60 years that have elapsed since that great victorious proletarian revolution, and history itself have proved convincingly enough that the cause of October is invincible.

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GCP development prospects

Herbert Mies
GCP Chairman

Kurt Fritsch
Member, GCP Board Presidium

The communists of the Federal Republic have been working out a new program for their party. They are also taking steps to build up the party ranks and strengthen its influence among the masses. The campaign known as the Max Reimann Enrollment has brought in many new recruits.

Here Herbert Mies, the GCP Chairman, paints in the background to the GCP's activities in Federal Germany today and talks about its future development.

Herbert Mies. Not long ago a magazine published in the FRG claimed that the German Communist Party had no prospects either of growing or of extending its influence in society. There are quite a few people, politicians and propagandists, who are trying to make the working people of our country believe this. Why? Because they fear the GCP's growing influence, and they fear it because the GCP has proved its readiness and ability to fight consistently against big capital's drive for profit and power and to champion the interests of the working people, peace, democracy and socialism. This is what we communists intend to go on doing. And on this basis of defending the interests of the working people we shall increase our influence.

There are also politicians in the Federal Republic who seem to be very much concerned for our welfare and advise us to reject certain important principles so that we can open the doors of the party wider and let in more people. We are not going to take their advice. Why? Because, in the first place, the principles that guide us are scientific and should not be changed without good reason. We want to build up the party but with communists, not opportunists or just anybody. And finally we reject it because we do not confuse a broad political alliance of heterogeneous forces with an alliance of like-minded people, such as the communists. Our party, while advocating broad democratic unity and pursuing a flexible policy of cooperation with various progressive movements, intends to strengthen, not weaken, its ranks, and

we see no contradiction in these intentions. On the contrary, the further strengthening of our party always has been the prime condition for success in defending the social and democratic interests of all the working people and an inseparable element in our struggle for working-class unity of action and alliance of the democratic forces.

We can state quite definitely that the workers' movement and its democratic allies need a strong GCP, because the stronger the party of the working class, the more effective it will be in coping with the task of rallying all the democratic forces to its side.

The stronger the GCP, the more stability there will be in unity of action and the democratic alliances;

The stronger the GCP, the more active the process of uniting all the left forces will be, and the working people will then see that there is a real alternative force;

The stronger the GCP, the more successful all the progressive and left-wing trends in the SDPG and other parties will be in realizing their ideas and concepts;

The stronger the GCP, the more will be achieved by all democratic forces abroad.

Some people suggest that the strengthening of the GCP, and particularly the Max Reimann Enrollment, contradict working-class unity of action and the alliance of the democratic forces. This is intentionally misleading. Max Reimann always insisted that the interconnection between communist strength and strengthening the democratic alliance was something that made for progress, and this has been confirmed by the whole history of the communist and workers' movement. Our democratic partners in unity will, we hope, acknowledge that the success of the GCP's new recruiting drive will benefit the whole working class and all the progressive forces of the nation. So the GCP enrollment is not merely a campaign within the party. We hope it will involve all the progressive forces of the FRG.

The *WMR* also asked GCP Board Presidium Member *Kurt Fritsch* to give us some details about the work of the GCP to increase its influence among the masses, the working class and the young people. What actual steps are being taken?

Kurt Fritsch. At the Bonn Congress of the GCP (March 1976) we made a big effort to present a clear picture of the GCP's positions. We stated quite plainly that the GCP is a party of the Federal Republic of Germany. We communists are the sons and daughters of the working people. We love our country, but not the system of big capital that prevails there at present; to this we are most definitely opposed. We have an alternative to the policy of the ruling forces, whose activities

tend to eliminate democratic rights and freedoms and shift the burden of the crisis on to the backs of the working people. We have clear alternatives in the daily struggle, specific proposals on specific issues, and also in the long term, in the struggle for fundamental changes in the interests of the working people. We shall devote special attention to these issues during the discussion of the draft party program.

In the nine years since its inauguration the GCP has won a strong position in the political and social life of the Federal Republic. It has become a political factor with a great deal more impact than is shown by the polling at elections hedged with anti-democratic restrictions. That the GCP is forging ahead and gaining influence among the workers and the working people in general, and also students, is shown by the fact that our opponents do their best to check its growth and the spread of its influence. Big capital and its parties and also the government do everything they can, short of banning the party, to 'keep it small,' to take away from the working people the democratic rights and freedoms that have been won, and change the political alignment of forces in favor of monopoly capital.

To achieve these ends the ruling circles try to create an anti-democratic and anti-communist atmosphere. They even take advantage of the adventurist actions of the terrorist forces to get the public into the desired frame of mind. We are aware of the danger of a ban on our party, but it does not frighten us. We shall not submit to intimidation. The best answer to the mounting pressure, to the increased efforts to restrict our sphere of action, is to strengthen our ranks, win new members, and new readers for our paper *Unsere Zeit,* and to be ever more persistent in defending the workers' interests. The greater the effort we make in the struggle for the working people's rights, for freedom and democracy, and the more energy we apply in the interests of peace and progress, the stronger our party will become.

In capitalist class society the party of the working class is usually subjected to triple pressure — ideological, political and economic. As the capitalist crisis continues and the ruling circles realize their inability to find a solution to it, the pressure on the party of the working class increases because only the communists have a constructive alternative to the policy of big capital, which shifts the burden on to the masses and restricts democracy. *In the Federal Republic today the all-round strengthening of our party is the first and foremost task, the crucial question of successful class struggle for the interests of the working people.*

The problem of strengthening the party is also linked with that of using the opportunities for developing democratic alliances. We have already achieved some successes in setting up and developing broad

alliances. This is confirmed by the campaign against the unconstitutional 'Berufsverbote,' the ban on communists and other democrats entering certain professions, the campaign for disarmament, peace and international cooperation, and also for working-class unity of action. Progress can be achieved in this crucial question of the working-class movement — the question of unity — only if the GCP strengthens its ranks as an independent political force.

We work on the assumption that strengthening the GCP promotes cooperation between communists and social-democrats at enterprises, higher schools, towns and other communities.

Of course, we do not forget the fact that ideological, political and economic pressure creates difficulties for our party and its members. We are standing up to the blows of reaction and, despite the pressure, the ranks of our party are growing. But we should like them to grow faster. We also want new party members to be quicker in mastering the ideological and political weapons, in feeling at home in the party, because this is a precondition for more effective resistance to the mass onslaught of big business, and particularly the false and slanderous statements made by its spokesmen about our party. In other words, the Max Reimann Enrollment aims not only at recruiting new members, but at constantly raising their level of awareness, which is part of the general task of raising the whole party's ideological and political level.

We are exerting considerable effort to improve the GCP's social composition by bringing in new comrades mainly from the working class, young workers. The present make-up of the party may be regarded as positive and in line with the principles of a Marxist working-class party. But we are not content to stay where we are and want to put down deeper roots in the working class.

The second task, which is directly connected with the first, is to extend the party's influence among the masses. Our comrades are working actively in the democratic movements. They are always to be found where the working people and the young generation are stubbornly defending their political, social and economic claims. The communists participate in the struggle at enterprises for saving jobs and against mass dismissals and youth unemployment.

The communists have a big impact on the young workers. As trade union members, we also work among the young people in the trade union organizations. We communists also enjoy considerable influence among the students. The Marxist Spartacus student association, which maintains close contact with us, is one of the most powerful student organizations in the higher schools and specialized secondary schools of the Federal Republic. But we cannot content

ourselves with the current state of affairs and the impact we have on the masses at present.

The fifth plenary meeting of the party board focused attention on development of all kinds of work and initiatives for extending this influence, particularly at factories belonging to the big companies. Various measures are being taken to raise the level of ideological, political and organizational work in the party groups at shop floor level. We must be attentive to the immediate, daily needs of the workers, while at the same time bringing up and explaining the main political and ideological issues.

So the main target of our efforts is the working class and the working youth. But this does not mean that we can neglect our work among other sections of the population, our contacts with other democratic forces. The sixth plenary meeting of the party Board, held in June 1977, made a special study of the policy of alliances. The facts show that our opponents fear nothing so much as normal relations between the GCP and the various socialist and democratic forces. Suffice it to recall the broad movement for disarmament and the measures taken by the Social-Democratic Party against the young socialists. By means of blackmail and administrative measures the SDPG leadership tries to crush the incipient cooperation between the social democrats and the communists, taking decisions that contradict the SDPG rules, up to the point of expulsion from the party.

We are determined to explain our policy, our positions on a broad basis, win public confidence, and eliminate the prejudices generated by the policy of anti-communism.

In this sphere the printed word is very important, either in newspaper or leaflet form. But the key to work among the masses is personal contact with people, talking to them. We use all kind of methods for this, from mounting displays at factory gates and in market squares to the big fetes of the party newspaper *Unsere Zeit*. In this year's fete more than 300,000 people took part.

Question. Practice has shown that there is a real problem in combining party consistency, adherence to principle with consideration for the actual level of the mass consciousness. In other words, to be heard and understood one must remember the circumstances and state of mind of those you are talking to. How do you find the line that divides awareness of people's actual mood from opportunism, the ability to be flexible in one's work from sacrifice of principle?

Kurt Fritsch. Whenever we consider how to make our work more effective among the masses and broaden our ties with them we stick to the rule of no concessions to our opponents on any fundamental ideological or political questions. You can, of course, use very flexible forms, methods and kinds of action. But only when you have

a clear-cut position on all the basic questions, otherwise you will be swept away with the current.

Our own experience confirms the fact that consistency and adherence to principle produce results. Take, for example Marburg, Bottrop and Gladbeck, cities where we won from eight to ten per cent or more of the votes. Having broken the enemy's front there, the communists continued to maintain the same, perfectly consistent line and went on winning. The secret of our success in these cities lies in the fact that we have strong party organizations there. So our line is not to play up to the general mood, but to make our party stronger, more active and more capable of implanting its ideas among the masses. It is very important to attract to the GCP people who have extensive influence among the workers.

While not giving way to nationalistic or chauvinistic propaganda, we try to show, by example, the correct blend of true patriotism and internationalism. In its wide-ranging work for anti-imperialist solidarity the GCP has succeeded in recent years in setting up action committees in the Federal Republic. We attach great importance to this because the development of such solidarity helps to educate the working people in the spirit of internationalism or brings them closer to it. Many comrades have joined the party thanks to their participation in the anti-imperialist solidarity movement, in practical action.

As I said to begin with, we always stress the fact that the GCP is a party of the Federal Republic of Germany. Our position on all questions is consistent in this respect. At the same time we have good relations with the fraternal parties of the socialist countries, with communist parties throughout the world and we use these relations for the good of our people. The education of GCP members in the spirit of proletarian internationalism always comes first, and the very warm feelings our comrades have for the Soviet Union and the CPSU are not mere declarations, but a whole program of action designed to strengthen the spirit of proletarian internationalism among communists.

But let's go back to the question of being understood. If one merely makes the formal statement 'socialism is better,' people will not accept it. We try to back up the statement 'socialism is better' in concrete terms. For example, we make an all-round comparison of the GDR policy in the field of education with that of the Federal Republic, and this strikes home. When you start talking about educational policy in our country today, you will hear many people, even the opponents of socialism, say: Yes, in the GDR much more has been done for the young people, for their education, than in the FRG, where the young generation are badly hit by the crisis. We feel it is important to apply the experience of practical agitation to other fields

and issues directly involving the interests of the workers, the specific problems of participation in administration, of democratic rights and freedoms. The aim should be to systematically bring the worker to an understanding of the whole through explanation of the specific parts.

We run a magazine called *Sozialismus konkret*. Not long ago we devoted one of its issues to the Soviet Union and its workers. We also show how the position of the peasants has changed now that they work in a socialist agriculture. The magazine reflects the achievements of the working people under socialism, and also the problems and difficulties that have to be and can be overcome.

As everyone knows, anti-communism has assumed particularly acute forms lately in one particular sphere — 'human rights.' We take the offensive in this field. We pose the question of human rights in our own country, particularly the fundamental rights such as the right to work, which has not been realized in any of the capitalist countries.

I should like to note also that in mass propaganda there is a factor that plays a very important role; we show in concrete terms that the working people of our country derive big advantages from normal relations between the Federal Republic and the Soviet Union, and that the working class also benefits by maintaining friendly relations with the workers of the Soviet Union.

Of course, we try not to talk 'over people's heads,' to make sure that people listen and understand. But in doing so we shall never blindly follow the mood of the masses. In our country there is, for example, a broad movement against the construction of atomic power stations. We take part in this movement, but we explain that the possible negative consequences of building such stations has to do with the imperialist greed for profit. We communists have always been in favor of the peaceful use of atomic power. We support technological and scientific progress. But what we feel should be discussed is the possible conditions for building atomic power stations in our country. We make the point that everything would be all right from the scientific and technological point of view, but the social conditions are lacking because profit is the overruling consideration. The slogan 'Coal and profit first, then work safety' is still with us, so the communists' slogan is: 'First work safety, then coal and profit.'

In this way we link up the masses' specific demands with our fundamental line. We are trying to broaden the outlook of the masses, to show them the political implications of things. This is not at all easy. If you go too far, you can count yourself as having lost touch with the mass movement. But on the other hand, if you float with the current, giving way to the mass mood, you lose sight of your own goal. So it is important for us to exert a skilled influence in such mass movements, to have well trained comrades doing this work, who will

be able to cope with a task that from the political standpoint is far from simple, the task of raising the consciousness and activity of the masses to a higher level and using their own experiences to achieve this.

So when we speak of strengthening the party, of expanding its influence among the masses, we always proceed from the fact that the first and most essential thing is clarity in ideological questions and matters of principle. Our attention is centered on the main questions of proletarian revolution: power, the state, the transitional period, the forms of struggle, the peaceful and non-peaceful road, the struggle in parliament and outside it. We believe that consistent defense of our positions on these issues is the best safeguard against opportunism.

Question. What significance will the party program that is being drawn up at the moment have as regards increasing GCP influence among the masses? And in general what is the significance of the GCP's constructive alternatives to bourgeois and social-democratic policy, of its specific policies on specific issues that worry the masses? What effect do such drafts, proposals and slogans have on the mass consciousness, on public opinion?

Kurt Fritsch. Nine years ago, when the GCP was constituted, we adopted a Policy Statement. Later, at the party congress in Dusseldorf we approved our party theses and now, at the forthcoming party congress, to be held in 1978, we shall discuss the party program. There is continuity here. In drawing up our program we are greatly helped by the separate policy statements we have drawn up in past years on energy, the agrarian question, education, higher schools, the party's social policy, policy in the municipal sphere, on rent, and so on.

These documents were drafted on the basis of wide-ranging discussions and were then adopted at plenary meetings of the party board. They form a kind of skeleton of answers to a number of fundamental questions of GCP policy today and in the long term. This has given the masses a notion of what the GCP is fighting for, of the kind of country it wants to see in the near future and the long term, and at the same time it shows the party's ability to solve the practical problems that are worrying people.

The program will deal fundamentally with our short-term and long-term aims, and also show the roads to socialism in the Federal Republic as far as they can be shown today. The program will focus on the immediate objectives of achieving a turn toward democratic and social progress. We regard it as a possibility worth fighting for that this struggle will develop into an anti-monopoly democracy which, with the class struggle as it is at present, we see as the best opening for progress toward socialism in our country.

From our observations we have drawn the conclusion that in current conditions the communists are more successful when they talk clearly about what they will build, and not only about what they will abolish. Of course, we make it quite clear what and whom we are fighting against, but at the same time we show what we are fighting for. We say: what would be the situation in the Federal Republic today if we had socialism? Would there be unemployment? No. Would there be young people who cannot get professional training? No. Would there be chaos and crisis in education? No. We are fighting for socialism, the draft program stresses, because if there was socialism in our country the situation in the social, economic, democratic, cultural, political and other fields would be fundamentally different, and we are trying to show what would actually change.

In our program we want to give an idea of the specific contours socialism could have in our country.

The masses, however, want to know not only what we seek to achieve, but also how we are going to achieve it, what means we shall use to reach our general aim. So the program will deal in detail with all questions concerning the forms of struggle, the opportunities for working-class unity of action and broad anti-monopoly alliances.

As regards the future, our opponents take us very seriously. They see that despite everything our influence on various movements, on the minds of the young socialists and young democrats, and on other democratic forces is considerable, that under our influence events occur in which we actually have no direct part. Our opponents themselves quite often say that such developments may lead to a sharp increase in the size and influence of the GCP. They also admit that although this process is slow, it is ongoing, that the party is steadily gaining strength and influence. The capitalist press writes about this and warns against waiting until the GCP has captured ten or more per cent of the votes. It must be kept as small as possible and prevented from taking effective action, they say. If it gets ten per cent, it will be too late. Our opponents acknowledge the positive influence of our policy on many people whose attitude toward the party is restrained rather than positive. Our political statements and demands have an impact even on those who are hostile toward our party. If our opponents sometimes write and speak differently and try to prove that GCP influence is insignificant, this is only in order to brainwash the masses and make our opponents' wishful thinking to some extent a reality.

We can be hindered but we cannot be stopped, because the laws of history are on our side and because we ourselves are doing everything for their full manifestation, for our country's advance along the road of social progress.

Clear guidelines for struggle

Alejo Mendez Garcia
CC member, Mexican CP

RESULTS OF THE 18TH CONGRESS OF THE MEXICAN COMMUNIST PARTY

The 18th National Congress of the Mexican Communist Party in mid-1977 was the first to be held legally and openly in a long time. It was convened soon after the presidential elections, whose outcome had been favorable to the Communist Party. Despite the fact that the MCP was not officially registered we nominated our candidate for president, as well as candidates for senators and deputies in many districts. We were not obstructed during the election campaign and were able to give wider publicity than ever before to our party policy documents and the election platform drawn up jointly with other political groups. At rallies, meetings, round-table discussions and dialogues we met and talked with hundreds of thousands of workers, peasants, farm laborers, students, teachers and intellectuals.

The election campaign helped to raise the MCP's national influence and prestige. We cooperated with other left political groups such as the Revolutionary Socialist Party and the Revolutionary Working People's Party. This showed that the communists are ready to work with all left and democratic forces interested in seeing the country develop in line with the wishes of the broad masses and the national interests.

The Congress was held during an economic crisis that deeply affected the entire country and could be compared only with the 1929-33 world economic depression. This crisis is developing within the broader crisis of which we spoke at our 16th Party Congress. It is a crisis both of the development model followed by the ruling bourgeoisie since the 40s, and of the socio-economic structure created in those days, during the country's industrialization. The basis of this structure is dependence on imperialism, primarily North American, and extreme exploitation of workers, peasants and other sections of the working people. It was only natural, therefore, that our Congress should have concentrated on finding a solution to the complex problems that have arisen today.

The Congress was held at a time of growing self-confidence of the masses, particularly the working class, peasants and university intellectuals. There have been over 3,000 strikes in the past five years. Many times the peasants have demanded land and better prices for their produce, protested against the rising prices on irrigation water and made strong claims for various kinds of credits. The struggle is growing for democratization of the universities. Trade union centers are appearing there and these are joining the Federation of University Trade Unions, which has more than 50,000 members. Several universities have won their autonomy.

A start has been made in the process of strengthening unity and the MCP is a part of this process. In February 1977 several left organizations published a document analyzing the country's critical economic situation and stressing the urgent need for a political reform to ensure free and equal participation in political affairs by the masses and those parties and trends that are discriminated against today. This document could provide the foundation of a minimum program for solution of the country's most acute social, political and economic problems.

This Congress is particularly important because it was attended by delegations from 26 communist, workers' and democratic parties from socialist and capitalist countries. It strengthened our ties with other fraternal parties in the struggle against imperialism, fascism and war, and for peace, democracy and socialism.

The Central Committee report made by General Secretary Arnoldo Martinez Verdugo, and the report on the working class and the party's trade union tactics made by Jesus Sosa Castro, member of the Central Committee Executive Commission, examined the country's main problems.

The report by the General Secretary dealt primarily with the economic and political crisis. It is becoming increasingly apparent that the development model followed by the so-called revolutionary governments is in bad trouble, and that the country needs changes. This is admitted even by the more prominent spokesmen of the government and employers, although it is done in a veiled manner without any intention of taking the necessary steps. It is certainly no accident that such slogans of the past as 'stabilized development,' 'development under social justice' and 'joint development' have been consigned to oblivion. Actually they all implied higher profits for the oligarchy and greater sacrifices by the people, although miserly concessions were made to justify these pseudo-democratic slogans of the ruling bourgeoisie.

Ever since the new government headed by President Jose Lopez Portillo came to office, a new slogan, 'alliance for production,' has

been in fashion. The message is that to 'overcome' the crisis there must be common participation and united effort under government leadership by all classes and social groups and also all political alignments. Clearly, this is merely a variation of the model applied during the past 30 years.

Speaking of the structural crisis, A. Martinez Verdugo said: 'The country's industrialization after the period of slow development which lasted till the middle 30s, was given a considerable boost. This radically altered the balance between agriculture and industry, and resulted in the appearance of new industries and a certain diversification of the economy. Since the 60s, however, this process has turned into a socio-economic structural crisis, which will be lasting. The main signs of this crisis are the lag in agriculture and foreign capital's domination of the most dynamic and key branches of the Mexican economy; chronic unemployment of half the population; a highly uneven distribution of income in favor of the big bourgeoisie, and the glaring failure of the main economic policies of the bourgeois governments in the post-1940 period.'

The balance of payments crisis that started in 1971 and became particularly apparent with the fall of the peso in 1976, intensified all socio-economic and political contradictions and aggravated the structural crisis. Growth of the GNP, which had averaged an annual 6.8 per cent between 1964 and 1970, dropped to 1.9 per cent in 1976, well below the approximately three per cent annual population growth index. Today, government and business circles say the 1977 growth rate will not exceed two per cent.

Meanwhile, unemployment has reached terrible proportions, particularly after the drop in the value of the peso. There are 1.5 million unemployed today and another six million part-time employed who work an average of 100 days a year.

Our $30,000m. foreign debt hangs over the economy like the sword of Damocles. Imperialist credit agencies, fearing that our country is insolvent, are ready to grant loans only if the monopolies are guaranteed high profits. The International Monetary Fund, for instance, forced the Mexican government to accept its conditions: reduction of state expenditures, guarantees of 'social peace' and safeguards for private foreign and domestic capital, etc. Besides, the country's finances are being drained by the annual $4,000m. that goes to pay off debts and interest.

Inflation has soared to appalling heights. In 1976 the cost of living rose 48.7 per cent and in 1977 prices climbed just as fast despite the so-called 'pause' the government has forced on the trade unions to prevent their demands for higher wages exceeding ten per cent during collective bargaining. The government has requested a similar 'pause'

of employers and has appealed to them to keep prices at a stable level. This is all being done in the name of the 'alliance for production.' In reality, however, the employers not only ignore government appeals, but find ways of persuading the State Secretariat on Industry and Commerce to allow them to go on pushing up prices.

There is no hope that the economic policy the government is applying within the framework of the 'alliance for production' strategy will smooth out the aftermath of the economic crisis even temporarily, to say nothing of the structural crisis. The situation, as our Congress documents state, cannot improve as long as the government program relies on ever greater external loans which raise our foreign debt catastrophically, and ever larger investments by imperialist countries. (All this entails greater control of our economy by the international corporations.) The situation cannot improve until this program provides for the abolition of our foreign trade dependence on U.S. imperialism; while it tends toward further impoverishment of the masses, ever greater concentration of wealth in the hands of the local monopoly groups connected with foreign capital and a constant shrinkage of the home market; until steps are taken to eliminate the structural disproportions in economic development, in the ratio of growth between agriculture and industry. This disproportion is due to the fact that to satisfy the interests of a handful of big landowners, more than three million peasants remain in poverty, are deprived of land and suffer unemployment. They have no hopes that the government will change agrarian relations.[1]

As was pointed out at the Party Congress, the reason for the critical situation is the emergence of a big bourgeoisie, which has gradually become a monopoly bourgeoisie, maintaining close ties with foreign monopoly capital. This also explains why the monopoly groups are given considerable government capital, which ever since the 30s has been invested mainly in the oil and power industries and the railways. The ruling circles place the budget and other government levers and resources at the disposal of the monopolies. As Martinez Verdugo said at the Congress, 'since the early 60s monopolization has forged ahead in the country and there are signs of state-monopoly capitalism emerging. This is the stage when the monopolies establish their hegemony over all branches of the economy including those that are not actually monopolized, the stage when the monopoly bourgeoisie joins forces with the state for the salvation of capitalism and defense of monopoly profits.' Since the time of the Aleman government, it was pointed out at the Congress, the public sector has ceased to be oriented on independent development. The big bourgeoisie, asserting its hegemony, has gradually transformed the state into a backer and stimulator of private monopoly development. The growth of state-

monopoly capitalism has not yet been completed because of such obstacles as dependence on American imperialism and a backward agriculture. This process is developing in a period of worsening capitalist crisis, in the specific conditions of the Mexican state and the composition of the ruling bloc.

Although the monopoly groups and financial oligarchy are playing an increasing role in basic political decision-making and mapping out long-term policy, this process has not yet been completed. The various trends within the ruling class are fighting for dominating positions. The Congress declared: 'Both the political bureaucracy and the financial oligarchy are striving for development which would strengthen state-monopoly capitalism — an objective process conditioned by the development level of Mexican capitalism. The basic differences between them lie in the ways and means by which they guide this process because it is no secret that it can either become anti-democratic and repressive, as in Brazil, or develop in a relatively democratic manner.'

The Congress pointed out that in the course of the struggle between the monopoly groups and the political bureaucracy for hegemony of state leadership there may be sharp conflicts similar to those that took place in the latter period of President Echeverria's government. The Congress warned against forgetting that at the moment of supreme tension the ruling bureaucracy relinquishes its positions to the monopoly groups. It is incapable of weakening them and changing the direction of government economic policy despite the fact that this bureaucracy's direct interests are not identical with those of the more reactionary oligarchy. This exposes the inconsistency of those who claim to be the left and who call for support of the 'nationalist and revolutionary government' in answer to the intrigues of the reactionary, rightist forces.

The political crisis — another important element of the present situation — was given prime consideration at the Congress. It should be stressed that not only communists speak of the existence of a political crisis today. This opinion is shared by many prominent public figures and various organs of the press.

There can be no truly progressive changes in economic policy without changes in political life and in the present relationship between the government and the people, the democratic forces. In reality, the Congress pointed out, there has been no serious movement in that direction. However, from the day the new government headed by Lopez Portillo took office, such negative repressive aspects of preceding governments as a ban on public speaking, outlawing strikes at large government and privately-owned enterprises, imprisonment or even assassination of opponents of the regime, of

public figures and politicians, are no longer standard procedure. The new government has shown its tolerance and respect for the opposition, in particular for our party.

There are several reasons for this new orientation. The government would like to ease public pressure and convince the people that it is capable of leading the country in the crisis and finding a solution that would accommodate all circles, including the people. It is trying to reduce the discontent among many of its supporters or circles close to it, caused by devaluation of the peso and the obvious fact that the oligarchy has been taking over more and more positions. It is trying to win the support of the political parties and the masses in its efforts to consolidate its power and retain political supremacy.

It was again made clear at the Congress that our party opposes the government because it believes it expresses the wishes of the big bourgeoisie, and is promoting concentration of production and centralization of capital, consolidation of monopoly capital and a greater merger of the monopolies and the state. However, our party takes a positive view of certain aspects of government policy, believing they should not be underestimated. On the whole, the government shows respect for democratic freedoms. So far it has honored its promise to exclude reprisals from its policy. Government actions for a dialogue with the left forces focus specifically on the question of electoral reform. The most important feature of the Portillo cabinet, the Congress pointed out, is that spokesmen of preventive reformism are in the majority.

It cannot be asserted, however, that a solution has been found for the acute political problems, which the Communist Party has always defined as a 'crisis of the regime's ideological and political machines — its parties, electoral system and the levers for control of the worker and peasant movement.'[2] The main cause of this crisis, said Martinez Verdugo at a session of the Federal Electoral Commission, is the contradiction between the political institutions and the social realities. For many years this crisis has bedevilled the official parties and the faulty, reactionary electoral system, which allows the bourgeoisie to dominate the organs of power. The situation is no better in the methods of administration and in the relationship between the government and the masses and their organizations, methods based on reprisals and abolishing their rights, and also the method of using reprisals to control the trade unions, peasant and other mass movements with the help of the corrupt leaders of these organizations. That is why our Party's 18th Congress stressed the need to continue the struggle for deep-going political reforms.

Congress documents warn those in the revolutionary and democratic movement not to cherish any illusions concerning the

government but to rely on joint, organized and independent mass action. One of the prime conditions for unity is formation of a wide bloc of all forces interested in carrying out the reforms that the economic and political situation urgently demands. Such a bloc can become a reality only if all democratic and left forces join together, organize the masses and head the movement. A stronger Communist Party would be an essential element in this process.

The Congress therefore appealed that there should be no stopping at economic demands and that the plans of the bourgeoisie and the apologists of state-monopoly capitalism should be countered with a democratic and anti-imperialist alternative for a solution of the crisis through anti-monopoly struggle. Only then would the left, democratic and genuinely anti-imperialist forces make an effective contribution to changing the country's economic and political course.

We are not speaking of socialist-type transformations, for a socialist revolution is not on our agenda. We are speaking of general democratic reforms. The present government, however, is incapable of meeting the demands of this alternative program. This will be done only by a government representing the new bloc of forces where the left and democratic circles are predominant. This does not mean, as the Congress pointed out, that the struggle for the urgent demands of the masses should be relaxed, or that certain parts of the program could not be carried out prior to the formation of a new government.

The report delivered by A. Martinez Verdugo contained several demands as an alternative to the crisis and the domination of monopoly. It was suggested that the following should be included in a political reform: change the electoral system, stop all political persecution, ensure citizens' rights of demonstration and expression of ideas and views, proclaim a general amnesty and stop government interference in trade union affairs.

As concerns the economy, the Communist Party is for strict control of foreign investments, nationalization of private banks (with respect for depositors' property), and of the food and drug industry, tax reform and economic planning to guarantee more effective utilization of the work force. A program for improving the people's standard of living has also been proposed. It includes an immediate increase in wages and pensions, organization of public work to gradually reduce unemployment, reduction of the maximum size of land holdings,[3] control of currency operations and foreign trade, and breaking with the economic policy forced on us by the International Monetary Fund. The Congress called on all communists to work for unity of the masses, the left and democratic forces in this struggle.

The 18th Congress posed several important tasks for party members and organizations in the immediate future. Among the most

urgent is that of meeting the demands of the existing electoral law to allow the MCP to be registered nationwide.[4] Our party is confident that it will be able to meet all these demands. Fulfillment of this goal will be an important step in the struggle for the country's democratization. However, in this registration campaign the Communist Party also has other goals. It will try to increase its membership and win support and sympathy of many thousands of activists and revolutionary fighters who today do not belong to any political party. We see this as a means of realizing the Congress slogan to begin the building of a mass Mexican Communist Party, which the country's working class and revolutionary movement need so urgently.

The Congress approved the proposal in the main report for strong unity between the Communist and other left parties. The Congress called on the whole party to multiply its efforts to organize and build up an independent mass movement of workers, peasants, the youth, students and all the people. This is the way to increase the Communist Party's influence, to strengthen united action and create a united front of all the country's left and democratic forces — a guarantee that the balance will shift in favor of the working class and all the people.

1. The situation is equally tragic for the millions of Mexicans forced to emigrate to the United States, where they are brutally exploited, abused, discriminated against, beaten and even killed. And this in a country that has proclaimed 'defense of human rights.' There are believed to be three to four million Mexicans with visas working in the United States and another eight to ten million with no documents at all.

2. A. Martinez Verdugo. *Reforma politica para la transformacion democratica*. Mexico, 1977, p. 18.

3. The Constitution lays it down that holdings of from 100 to 300 hectares of irrigated or well watered land are not liable to expropriation. In practice many landowners still hold illegally hundreds or thousands of hectares.

4. For this 100,000 signatures must be collected in two-thirds of the states in the Republic. Assemblies for party registration must be held in these states with 2,500 party members attending in the presence of a government notary public. The National Assembly for registration of the MCP must complete all these measures by the beginning of next year.

Toward socialist national unity

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NOTES ON THE HSWP POLICY OF CLASS ALLIANCES

The problem of allies of the working class in its liberation struggle and creative effort is rightly seen as one of the most challenging strategic problems of the world communist movement. Hence it may be useful to describe the experience of the Hungarian Socialist Workers' Party in shaping a correct, principled attitude to other social classes and strata and the parties expressing their interests.

The history of the Hungarian working-class movement has shown that whenever the communists evolved their policy of alliances and put it into practice on the principles and in the spirit of Lenin's teachings, the social basis of the party widened and the party's activity brought a strong response from the masses. On the other hand, the party's mass basis tended to shrink and it suffered reverses endangering both itself and the entire working-class cause whenever it made mistakes in analyzing the situation and carrying out its policy.

Since it is impossible to present the whole experience of the Hungarian communists' policy of alliance in one article, we will only deal with the stage initiated by the victory over Hitlerism and Horthy fascism.

The defeat of nazi Germany by the Soviet Union also led to the downfall of Horthy fascism, which had ruled our country for a quarter of a century. This historic turning point did not take the Hungarian Communist Party (HCP)[1] by surprise. The party, operating as the vanguard of the working class and supported by the broad alliance formed in the course of the fight against fascism, was prepared to lead an anti-fascist, people's democratic revolution and its development into a socialist revolution. The party's strategy of alliance between the working class and working peasantry and of unity of all groups of the working people around the proletariat was to play an important part in carrying out this task. It was a continuation in substance of the

popular front policy developed by the Seventh Congress of the Comintern. It was also enriched with the experience of the anti-fascist, national-liberation struggle during World War II.

Hungary's international position, the social relations in the country and the interests of national renaissance all made it equally imperative for the HCP to do its utmost for the unity of all anti-fascist and patriotic movements. In 1944 the party drafted a program which became a political platform for the unification of democratic forces. The program gave priority to social changes necessitated by the working people's objective interests and acceptable to that section of the bourgeoisie which in the war years had taken a stand againt Hitler fascism.

On the basis of the communist program, the unity of a wide spectrum of social forces became embodied in the Hungarian National Independence Front (HNIF).[2] The Provisional National Government represented the workers, peasants, urban petty bourgeoisie, national intelligentsia, the anti-Hitler section of the bourgeoisie and those of the Horthyists who were opposed to Hitler fascism. But this cooperation did not last. When, in the spring of 1945, nazi Germany was defeated the task of the country's social and economic transformation on democratic lines came objectively to the fore. Part of the forces which had joined in the common fight against Hitlerism took a stand against the communist-led national bloc. This compelled the party to campaign for the isolation of all conservative elements obstructing the revolution and for their expulsion from the HNIF. Important to the success of this campaign was the fact that the sincere but wavering elements in the broad national bloc stayed with the working class throughout the transition effected under the leadership of the revolutionary party of the working class.

In the years following the country's liberation, the HCP pursued its policy of alliances with due regard to new developments, in particular the bourgeoisie's adoption of a position running counter to social progress. It was a policy based on Lenin's teachings. The party took account of the situation at home and abroad, the balance of internal forces, and the tasks confronting the country. It studied the problems of economic and political power and the social and political character of social classes and strata. Its activity was evidence of the community of the working people's fundamental interests and was aimed at making potential allies of the working class increasingly aware of the necessity for close cooperation. However, this policy had nothing in common with a desire to perpetuate the existing balance of forces or forms of class alliance. Its purpose was to bring more and more progressive forces of society into perfecting the alliance, carrying it forward and raising it to a higher plane. In accomplishing these tasks,

the party used essentially correct methods in spite of occasional tactical miscalculations, and followed a line appreciated by the masses.

Therefore, the communists' consistent policy of alliances and their ability to take changes into account were features of a class alliance based on a democratic mass movement. The alliance was complemented by agreements between parties. The HCP leadership knew very well that it could mobilize a considerable section of the masses for the rehabilitation of their war-ravaged country and make them active participants in social and economic changes, provided the other parties cooperated, that is, in coalition with them.

An important requisite of fulfilling this task was to preserve the HNIF in the course of the revolution as the organizational form of cooperation among the parties while at the same time building up communist influence at grass roots. This meant that what the communists wanted was not to force any democratic parties out of the HNIF but to channel their activity in a progressive direction and draw the peasants and urban petty bourgeoisie into the struggle for socialism launched by the working class.

The communists' policy of broad alliance with democratic parties was, in our opinion, an important distinctive feature of the people's democratic revolution in both Hungary and other countries of Central and Southeast Europe. The HCP lacked adequate historical experience in applying Marxist-Leninist concepts to this problem but even so, the communists did their best to encourage cooperation with democratic parties, fully realizing the necessity for alliance with them. As for the future of these parties as such, the communists had yet to take a definite stand on this issue.

The general election on August 31, 1947, which brought the HCP the greatest number of votes, was a big victory for the progressive forces. The rightists were defeated and the pace of the socialist revolution quickened noticeably. The revolution reached a high level when, in June 1948, the two working-class parties — the HCP and SDP — merged on Marxist-Leninist ideological and organizational principles. The founding of one Marxist-Leninist party, the Hungarian Working People's Party (HWPP), was an event of lasting significance to the destiny of the country. It strengthened working-class unity and became a major factor in establishing the undivided political rule of the working class in the form of the dictatorship of the proletariat. The people sat out resolutely to build socialism.

However, numerous difficulties cropped up in building the new society. The HWPP did not always succeed in avoiding mistakes or eliminating negative developments promptly and painlessly.

Moreover, the party's policy of alliances, first of all the attitude to

other parties, showed certain deviations. The erroneous idea was gaining ground that the HNIF was a provisional alignment whose task was not to unite the coalition parties but to help in gradually liquidating them and hence itself. And it was not long before the adverse effects of this attitude made themselves felt. Due to a slackening of the activity of the Front and the democratic parties in it (they had already rid themselves of rightists), many social strata began to lose their political links with the working class and the socialist movement. Worse still, distortions of the policy of alliances affected relations between the workers and peasants, the two main classes of the state of proletarian dictatorship.

Moreover, the conception and interpretation of Lenin's agrarian theory were not entirely correct, and this told on the agricultural policy of the party. In the countryside, socialist changes made possible by objective conditions were under way already. But the party made mistakes in tax policy and the pace of forming socialist cooperatives; in setting up collective farms the principle of voluntary membership was sometimes infringed. These were all departures from Leninist principles concerning the attitude to the peasantry. Just because some of the small peasants were party members, the HWPP leadership regarded support for its policy by all poor peasants as a foregone conclusion. As for winning over the middle peasants to the side of the working class, the leadership, discounting the domestic and international situation, saw the principal means of achieving this goal in the early expropriation and elimination of the kulaks. Yet we know that Lenin warned communists against a simplistic solution. 'Even in respect of the rich peasants,' he said, 'we do not say as resolutely as we do of the bourgeoisie — absolute expropriation of the rich peasants and the kulaks. This distinction is made in our program. We say that the resistance of the rich peasants, their counter-revolutionary efforts, must be suppressed. That is not complete expropriation' (*Coll. Works*, Vol. 29, p. 205).

It follows that the HWPP policy of alliances departed largely from Lenin's principles. Having failed to apply Lenin's theory correctly to the realities of the situation, the party was unable, after the establishment of the dictatorship of the proletariat, to make full use of the opportunities it had for rapid socialist advance. Although there were objective conditions for expanding the social foundations on which the new society was being built, the class basis of the proletarian dictatorship — the worker-peasant alliance — was weakened. This enabled revisionists and rightists to attack working-class power and the socialist cause and facilitated the 1956 armed action of counter-revolutionaries backed by imperialists.

After the defeat of the counter-revolutionary rising, the party again

devoted the closest attention to the problem of allies of the working class. And while some believed that the policy of alliances pursued by the HSWP[3] was an entirely new phenomenon that had originated only after the suppression of the counter-revolution, in reality that policy was an instance of consistent application (in national conditions and a specific historical context) of Lenin's theory of allies of the working class, and an extension of our experience of 1945-48. Needless to say, it differed from the policy of the previous period on a number of serious points, due not only to changes of a social and class nature but to a revision of erroneous views held until then. Framing its policy of alliances at the new stage, the party creatively applied Lenin's dialectical approach to the relationship between class alliances and class struggle.

The decisive prerequisite in this case was to eliminate distortions of Lenin's theory of proletarian dictatorship and socialist democracy. The party committed itself to the principle that the more durable socialist state power is, the more socialist democracy can expand. It rejected both dogmatic and right-wing opportunist views on the proletarian dictatorship and acted on Lenin's thesis that 'the dictatorship of the proletariat is not only the use of force against the exploiters, and not even mainly the use of force. The economic foundation of this use of revolutionary force, the guarantee of its effectiveness and success is the fact that the proletariat represents and creates a higher type of social organization of labor compared with capitalism . . . The communist organization of social labor, the first step toward which is socialism, rests, and will do so more and more as time goes on, on the free and conscious discipline of the working people themselves . . .' (Vol. 29, pp. 419-420).

The HSWP also rejected the notion that after the victory of socialism the class struggle inevitably becomes more intense, and renounced views and practices putting administrative methods first. It defined ideological and political work as the paramount task in building socialism. This is why the slogan of the former party leadership, 'Who is not with us is against us,' which was indicative of a sectarian lack of faith in the masses, was replaced by a fundamentally different slogan, 'Who is not against us is with us.'

The party now gave much greater attention to meeting the requirements of the working class and other working people, to material incentives, political education and persuasion. What was new was that while uncompromisingly and severely punishing persons guilty of hostile, counter-revolutionary activity, the party and the state afforded everyone, including one-time exploiters who were now working in good faith and were loyal to the existing system, the opportunity to join in public life. They used new methods to bring the middle

peasants into building socialism. Decisive importance was attached to the force of example of state farms and production cooperatives, to measures providing them with greater material facilities and achieve an overall increase in agricultural production.

The HSWP put an end to the personality cult, restored revolutionary legality and the Leninist standards of party life, created a healthy social climate and worked out an economic policy in line with the country's needs. Without this it would have been impossible to restore the party's prestige among the working class or strengthen the alliance of the workers and other working classes and strata. This is the basis on which changes were effected in agriculture and challenging problems of building socialism were and are solved.

It was in harmony with Lenin's teachings that the HSWP approached relations between itself and the working class and applied the principle of the leading role of the working class and its Marxist-Leninist vanguard. The party took a stand against various sectarian and right-deviationist views on these issues. On the one hand, it fought those who simplistically held the party's leading role to consist in filling all leading posts with communists and reduced the leading role of the working class to having a definite number of workers in leading bodies. On the other hand, the HSWP did away with a rightist distortion rejecting the party's leading role and demanding a revival of the multi-party system, and this on a basis entirely different from that of 1945.[4]

The HSWP has always maintained that the leading role of the working class and its Marxist-Leninist vanguard consists, first of all, in correctly expressing the working people's fundamental interests. We therefore believe that the party's policies must be implemented not only by its members but by non-party workers and members of other classes and strata. Our party considers that non-communists can hold any office (except party posts, of course) provided they have the requisite political background, appropriate abilities and professional training. Experience has shown that this approach helps to set the working people's tremendous energy in motion.

'There is no need,' Janos Kadar has said, 'to increase the numbers of hostile persons by making enemies out of sincere but politically undecided people. Indeed, we must educate the passive so as to make them staunch supporters of socialism, and as for enemies, we must win back those of them who can still be won over to our side.'[5] These words reflect the new principles of our party's policy toward the masses. Foremost in this policy are faith in the people and a desire to advance to socialist goals together with them. However, well aware that the Communist Party is the vanguard and the staunchest and most conscious component of the working class even at the stage of

full-scale construction of socialism, the HSWP took steps to prevent excessive growth of its membership. It also did much to reconsider its working methods. All this played a notable part in the early victory of the revolutionary forces over the counter-revolution and in speeding socialist construction.

We have said that HSWP policy has always been creative in using Lenin's dialectical approach to the relationship between class alliances and class struggle. Leninism teaches us that these are interconnected, not mutually exclusive. What this means in practice is that cooperation with allies on the main issues by no means implies that they may not be criticized. A correct view on this matter helps to solve key home and foreign policy problems in the interest of consolidating working-class rule, continuing socialist construction, raising the living standard, fighting for peace and defending our national independence, in the interest of fostering proletarian internationalism, of strengthening the community of socialist countries, friendship with the Soviet Union and fraternal solidarity with the peoples fighting for freedom and independence.

Lenin's theory of building socialism states that the alliance of the workers, peasants and other social strata must be based on a program in which the fundamental interests of the various classes and strata combine harmoniously with due regard for the opportunities offered by the actual social situation. This has also been the attitude of the HSWP and it finds expression in the party's economic policy, the socialist transformation of agriculture and every measure designed to perfect social relations.

Worthy of special attention in this respect is the party's agrarian policy, whose correctness we have always regarded as vital to the worker-peasant alliance. In furthering the cooperative movement, the party strove primarily to provide political and economic conditions for collectivization and to accomplish this task on the principle of acceptance and voluntary participation by the working peasantry and with the support of all other social classes and strata.

The reorganization of farming on socialist lines, carried out chiefly in 1959-62, laid the groundwork for socialism. The socialist sector was already supplying 97 per cent of the national income; socialist enterprises provided 98 per cent of industrial output in terms of value, and agricultural production cooperatives and state farms took up 97 per cent of the country's sown area. It is now a fact of historic significance that the socialist sector employs 96 per cent of the entire work force and is using 99 per cent of production means.

The party's scientifically based policy has resulted in all peasants and the urban petty bourgeoisie, all basic social strata, uniting behind the working class. Assessing the deep changes brought about in the

country, the Eighth Party Congress (1962) concluded that we could move on to the next, equally exacting task, that of building a socialist society, on our own basis.

In strengthening the worker-peasant alliance, the party also did much for the formation of proper relations with the intelligentsia and the urban petty bourgeoisie. It has always held that its influence on the intelligentsia depends on how solidly the party is linked with the workers, peasants and other working people.

Following the defeat of the counter-revolution, HSWP policy toward culture and the intellectuals was aimed at winning the support of the majority of this sector on a principled basis, eradicating counter-revolutionary and revisionist views and combating bourgeois ideology. The party worked to strengthen its key positions in science, culture and education. A very important means of providing proper government and party leadership in this field is, as the party sees it, to define the main lines of cultural progress and take a definite stand on the fundamental problems of this progress, as well as to promote principled Marxist criticism. The party now did much more to foster and mould the Marxist-Leninist world outlook of young intellectuals of working-class or peasant origin and ensure that they had financial support while taking vocational training. It has always done all it could to guarantee adequate freedom for creative endeavor. The party considers that the effort of associations of creative workers and other organizations should fit into the context of socialist construction and take place in organizational forms corresponding to the nature of the public activity in question. However, we have never ruled out the possibility of applying sanctions to those who trample the interests of socialism by, say, publishing works that exert a corrupting influence on social consciousness or by other hostile actions.

The consolidation process among the intellectuals benefited, first of all, from a strengthening of party ranks, the unification of the working class behind the party and the support given by the working peasantry. The party's correct, flexible policy, too, was an important factor. From the early days after the rising had been put down, the HSWP stressed that while many intellectuals had played a negative role in 1956, the party did not at all regard this whole social stratum as counter-revolutionary. Why this attitude of the party was important is obvious. At a time when some demanded unreasonably that all intellectuals be 'put in the dock,' the party called for a campaign, not against the intellectuals, but against the reactionary views expressed by some of them.

The Hungarian experience is further proof that the intellectuals can exercise their progressive role only in alliance with and under the leadership of the working class. Hence the importance of strengthen-

ing their bonds with the working class. In fulfilling this task, the party fought on two fronts. First, it rejected misconceptions current among numerous intellectuals at the time and fought against survivals of bourgeois ideology, particularly nationalism, as well as against the idea of a 'third road' and cosmopolitanism. Secondly, Marxism in our country had to be rid of dogmatic encumbrances if we were to defeat bourgeois ideology.

Lenin wrote that the 'proletariat is not only advancing intellectuals from its own midst, but also accepts into its ranks supporters from the midst of all and sundry educated people' (Vol. 6, p. 198). By patiently following a well-considered policy and relying on communist intellectuals for support, the HSWP succeeded at a relatively early date in winning over the majority of wavering intellectuals, which subsequently made it easier to isolate counter-revolutionary elements among them.

Two deep-going social processes made headway in the period between liberation and the building of the foundations of socialism. First, the productive forces attained a qualitatively new level, industrialization showing a particularly high growth rate. Second, production relations and all other social relations were transformed on socialist principles. These interconnected processes substantially changed the class composition of society. The following are the main results of development from 1949 to 1963.

The proportion of wage and salary earners increased from 46 per cent of the population in 1949 to 70 per cent in 1963. While the three-year plan (1958-60) was being carried out, about one million individual peasants joined production cooperatives. The number of small agricultural producers, who in 1949 made up 42 per cent of the population, dwindled to two per cent in 1963. As a result of the socialist reorganization of agriculture, the peasants became a virtually homogeneous class in terms of property relations. And it should be evident that the class standing of the cooperative peasant differs fundamentally from that of the individual peasant. Town and countryside alike began to develop on social lines, considerably accelerating the formation of one socialist class of peasants.

As a result of these tremendous changes, further consolidation of the socialist economy became the immediate basis for the well-being of the overwhelming majority of the population; from now on, all classes and the majority of social strata linked their fundamental interests to the country's socialist progress.

Thus the process of laying the foundations of socialism was accompanied by a profound change in the social composition of society. Thereby our party's policy of alliances, too, entered a new stage, that of carrying socialist national unity deeper. The essence of this policy

today is that unification of all the classes and strata of our society serves an even higher goal than before, namely, building a developed socialist society.

The fact that the common interest of everyone in achieving the ultimate goals of development has become a motive force and a factor in building up working-class power is a result of painstaking work by the party. While striving to ensure that diverse social strata did not overlook the common goals mentioned above, the HSWP never stopped searching for methods that would make it possible to guarantee both a loyal attitude to the new system on the part of these strata and conscious, active participation by them in the fulfillment of the tasks facing the country.

The role of ideological work is particularly important at this stage. While deep changes have occurred in social relations as a whole, the structure of social consciousness is still very complex. Not every social group entirely accepts all that we plan to do at present. For instance, some criteria of socialist national unity are appreciated and accepted by this or that group or individual while others are not. Those who generally support the ideas of peace and national independence do not always appreciate the tasks involved in putting them into practice. Most members of our society want to continue building socialism but some groups reject this or that current task or the use of certain measures for its fulfillment. To cite another example, our people firmly support the party's international activity but there are some who, under the influence of current international events, do not always form a clear idea of the role of world imperialism or entirely appreciate the policy of peaceful coexistence.

All this makes it imperative to perfect ideological work, carry forward socialist democracy and draw the masses into public life on a greater scale than ever. The Patriotic People's Front (as the successor of the HNIF has been called since 1954) is an important factor in accomplishing these tasks. United and operating in the Front under the leadership of the party are forces which support the socialist cause irrespective of class, party allegiance or religion, and recognize the party's leading role and its policy of proletarian internationalism. In other words, the Front is a suitable organizational form and provides a broad framework within which to implement the policy of socialist national unity shaped by the HSWP.

Building a developed socialist society requires active participation by all Hungarians, as our experience shows. As the interests of classes and strata draw closer together, the Ninth Party Congress (1975) stated, 'the alliance of the working class, cooperative peasantry, intellectuals and other working strata of the country and the moral and political unity of our society grow stronger. Demonstrating

through practical achievement their acceptance of the goals set by the party, bringing together communists and non-communists, persons differing in world outlook, our people are building a developed socialist society. As a result of these processes, we will achieve a level at which conditions will gradually mature for the complete and definitive disappearance of class distinctions.'

The fact that our party's current policy and day-by-day work enjoy the support of all social classes and groups means that the interests and objectives of the working class conform with the interests of society as a whole and that the party's whole policy is becoming the basis of joint effort by all working people as the process of building developed socialism goes on.

1. Name of the workers' revolutionary Marxist-Leninist party (founded in 1918) from 1944 to 1948.
2. The Front, set up in December 1944, comprised the HCP, Social-Democratic Party (SDP), Small Holders' Party, National Peasant Party, trade unions and other mass organizations.
3. Name used by the Marxist-Leninist party since late 1956.
4. This is discussed at length by G. Nemes — see 'Lessons of the class struggle for power in Hungary,' in *WMR*, September 1976. — *Ed.*
5. Kadar Janos, *Egyetertesben a neppel.* Partelet No. 8, 1961, p. 5.

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exchange of views

The role of the public sector in developing countries

SURVEY OF AN INTERNATIONAL SEMINAR IN DELHI

We have already reported that the Communist Party of India and the *World Marxist Review* jointly held an international seminar in Delhi on the role of the public sector in developing countries. The seminar was attended by fraternal party representatives and scholars from India, the GDR, Iran, Iraq, Mongolia, Sri Lanka, the Soviet Union and Syria. It discussed the experience of several Asian countries, especially India (20 papers were presented on behalf of the CPI by members of its National Council and by ideological workers from various states). Discussion also turned on the laws and features of evolution of state enterprise that manifest themselves in all developing countries.

On opening day, a speech of welcome was made by *C. Rajeshwara Rao,* General Secretary, National Council of the CPI. He thanked the Editorial Board of the *WMR* for organizing the seminar in India and noted the journal's importance in popularizing the achievements of the forces of socialism, democracy, national liberation and peace, and its notable contribution to the ideological and theoretical education of fraternal party cadres.

The speaker pointed out the vital importance of the public sector in effecting radical socio-economic changes in countries ruled by revolutionary democratic regimes, and its anti-imperialist tendency in some bourgeois democratic regimes. R. Rao stressed importance of the aid of the Soviet Union and other socialist countries, which have helped to make the public sector the mainstay of India's economy. This sector is a dominant factor in all the key industries, above all heavy industry, and has also emerged in the consumer goods industries. Its performance has improved notably in recent years and has become a source of substantial revenues. In spite of intrigues by monopolies and imperialists, who have been trying hard to check its growth, the superiority of the public sector over big private enterprise has been proved beyond all doubt, Rao said in conclusion.

The state and the economy

The seminar put it on record that recent decades have seen state participation in economic activity increase rapidly in many developing countries, and analyzed the causes of this remarkable development.

Scale of state enterprise. The share of the entire state sector in India's reproducible wealth in the early 1950s was only 15 per cent; in 1961-62 it stood at about 26 per cent, in 1966-67 at 35 and in 1970-71 at 43 per cent. The sector's assets are estimated at more than 220,000m. rupees compared with those of the private sector, set at 130,000m. rupees. The state owns 17 of the country's 25 leading corporations. Investments in the public sector have exceeded the total amount of investments made in industry by 75 monopoly houses of India, participants from the CPI disclosed.[1]

State enterprise has also been expanding fast in Sri Lanka. *Don Wimalasiri Subasinghe,* Political Bureau member of the CC SLCP, and *G. Ratnavira,* an economist, said that investments in state enterprises in 1975 added up to 2,833m. rupees (against 359m. in 1956) and towards the mid-70s the share of the state in overall industrial production was nearly 50 per cent. Following the two land reforms of 1972 and 1975, the state also became a major plantation owner.[2]

The scope of state participation is still greater in the economies of socialist-oriented countries. Official data indicate that in Iraq the public sector accounts for nearly 68 per cent of the GNP (against 23 per cent in Sri Lanka). It owns, said Dr. *Sabah Al-Durra,* an Iraqi economist, the oil-extracting industry, banks and insurance companies, over 90 per cent of foreign trade, transport and communications, power plants and irrigation installations. *Jaakoub Garro,* CC member of the Syrian Communist Party, noted that in his country the state fully controls all key industries and 65-70 per cent of all production capacities. Its share in overall industrial production rose from 61 per cent in 1971 to nearly 68 per cent in 1974.[3]

These facts are indicative of a general law which is also operating in other young states, where the role and assets of the public sector are increasing from year to year. Some speakers at the seminar said that underlying the operation of this law is the objective need to develop the productive forces and eliminate the colossal problem of backwardness, a need which after the winning of independence prompted a search for economic forms and mechanisms corresponding to the magnitude of these tasks. Even where there had already existed domestic private capitalist enterprise — a structure more advanced than any other domestic structure — the rising class of employers failed, according to *Adel Haba,* CC member of the Iraqi Communist

Party, to become a social force that could direct economic growth by using private capitalist methods. This is also the case in India although there already were big domestic capitalists there even before independence. Yet it was they who took an extremely contradictory stand on industrialization. What is more, *Kalyan Dutt* (CPI, West Bengal) said in his paper, private industrial capital did not at the time seek, in spite of government support, participation in the development of metallurgy, mechanical engineering and other basic industries but preferred to make profit through commercial deals and speculation, using pre-capitalist methods of exploitation. This attitude on the part of the domestic bourgeoisie is typical of many developing countries.

It was said at the seminar that at a definite stage of their evolution, all newly-free Asian and African states had to decide how they were to remove the antithesis between lagging productive forces and the objective exigencies of economic development. A large group of bourgeois and feudal regimes, striving to make up for the 'historical underdevelopment' of domestic enterprise, resorted to state-capitalist forms and methods on a fairly large scale.

Features of state capitalism. Speakers pointed out the contradictory nature of the type of state capitalism that has developed in some capitalist-oriented countries.

On the one hand, it was an embodiment of capitalist production relations, for under bourgeois rule nationalization does not in itself alter the capitalist character of these relations, said Professor Dr. *Helmut Faulwetter,* Director, Institute for the Economy of Developing Countries (GDR). In this instance, the state operates as a 'collective capitalist' and the superstructure provides general conditions for the activity of the whole employer bourgeoisie and its various sections. State enterprise proper is practised within the framework of the capitalist market and uses basically the same managing methods as are current in the private sector. *Ayappa Srinivasan* (CPI, Tamil Nadu) said that in India this was seen in the manner in which financial matters were settled and the output of state enterprises purchased and marketed.

On the other hand — and this was mentioned by many speakers — state capitalism in developing countries is a special phenomenon, for its objective role has proved historically to be much greater than the subjective motivations of the bourgeoisie in setting up the public sector. Speaking of this, *Sarada Mitra* and *Pauly V. Parakal,* members of the CPI National Council, said that in India active state intervention in the economy has tended to strengthen the anti-imperialist and democratic aspects of the public sector, which is becoming an instrument of ending backwardness and of curbing pri-

vate capitalist spontaneity to a degree. Along with the accompanying need for planning it and the orientation to longer-range national interests, state-capitalist enterprise potentially contains elements of the negation of capitalist selfishness, of private property in general.

The public sector has been the main lever of industrialization and technological progress in a number of capitalist oriented countries, Faulwetter said. Operating in India in this sector is a whole range of basic and heavy industry enterprises: four modern steel mills, a heavy engineering unit at Ranchi, oil refineries, plants manufacturing heavy electrical equipment, machine-tool plants, fertilizer plants and modern power plants, said *Girish Mishra,* an economist (CPI). Thanks primarily to the growth of the public sector the output of machine tools has increased more than 200 times in terms of value since independence. Output of oil products has risen from a meagre 0.2 million to around 20 million tons. Annual output of finished steel has topped seven million tons. As a result, India has made some real advances toward self-sufficiency. To give an example, the Bokaro steel plant, which is being built with Soviet aid like the national steel industry's first plant at Bhilai, is much less dependent on imported plant. When its first stage was going up, 39.5 per cent of the requisite plant had to be imported, but its second stage will require only 16 per cent. The rest can be supplied by India's state-owned enterprises. *Gour Goswami* (CPI, West Bengal) said that the development of metallurgy and other industries by the state has reduced imports for shipbuilding from 80 to between 30 and 10 per cent. In other words, the operation of the public sector is in keeping with national goals going far beyond the narrow, selfish interests of private capitalist business.

It is a fact, Haba said, that the rise of a public sector, if state-capitalist in character, was objectively a step forward in emancipating and remoulding the productive forces of many developing countries. This also applies — in purely economic and social terms — even to feudal monarchies, where the development of capitalist relations and the formation of a capitalist-oriented public sector marked a change from stagnation to development. There, too, the public sector functioned as a more progressive form of organization of the productive forces.

Haba was asked to what extent one may speak of the objective anti-imperialist nature of the public sector in capitalist-oriented countries, to say nothing of feudal monarchies, and what are the distinctions between capitalist-oriented countries and countries of a non-capitalist orientation as far as the character of the production relations taking shape in the public sector is concerned.

He answered that while the public sector implies a higher level of

organization of the productive forces compared with private capitalism and while it is precisely this sector's material basis that makes possible an independent economic policy, its anti-imperialist potentialities can materialize only when the political superstructure itself has become anti-imperialist. The evolution of the public sector is conditioned by the nature of state power. At the same time, the development of this sector under state capitalism, while it may have an anti-imperialist trend, prevents the advent of the next stage, that is, the transformation of this sector into an instrument of transition to a higher economic and social order. The fact is that under capitalism there is an ever-present danger of imperialist monopolies and domestic big business increasing their influence over the public sector. Furthermore, this sector may virtually find itself in bondage to them, as is the case in some Arab monarchies, whose public sector hardly warrants the view that its anti-imperialist nature is immanently predetermined.

Not so in the socialist-oriented countries, Haba continued. Power in these countries is in the hands of anti-imperialist, radical forces and this is the primary reason why the public sector there is functioning as an instrument of economic liberation. Changes in the social orientation of power entail changes in the socio-economic characteristics of state enterprise. It ceases to be state-capitalist and is geared more and more to general national, popular needs, which finds expression in both the functioning of state-owned enterprises and the credit and monetary policy of the state. This kind of public sector may be described as mixed or transitional. Its nature is transitional due to the contest between two basic trends: toward building up the components of a new, non-exploiting policy, and toward narrowing down its general democratic role, to the point of making it a mere executor of the will of bourgeois forces.

Summing up this part of the discussion, participants in the seminar stressed once more that the trend of evolution of the public sector in its broad sense is conditioned by the nature of state power. Its role in the national economy and the ways and means of nationalization in developing countries depend to an enormous extent on the alignment of forces inside the ruling classes and groups, the degree of influence wielded by the radical petty bourgeoisie and the working class, and lastly, the class composition of society as a whole.

Place of the public sector in the economy. Speakers examined the evolution of state-capitalist policy in some Asian countries and, accordingly, changes in the scale of state participation in economic activity, as well as changes in the official interpretation of the role of the public sector. India and Sri Lanka have a long record in this

respect and they have accumulated much experience and its many contradictions are instructive.

Contradictions in estimating the prospects and role of the future public sector emerged among India's national bourgeoisie as far back as the first decade of independence. In 1947, Dutt said, the Indian National Congress (INC), having come to power, announced an economic program envisaging not only the concentration of key industries in the hands of the state, but also state control over large-scale consumer goods industries and prices, and ceilings on land ownership. It also declared that the transfer of existing industries from private to public ownership should commence after a period of five years.

Only a year later under pressure from domestic big business, the ruling party went back on some of the above guidelines, emphasizing the need to set up a public sector chiefly by making new investments and not by acquiring 'existing units.' As the national bourgeoisie saw it. Parakal said, the public sector was merely to complement private enterprise by serving as a starting ground.

However, the exigencies of economic development constantly forced the national bourgeoisie beyond the bounds of the principles it had proclaimed. Parakal and Dutt noted in their papers that in the mid-50s the ruling circles, pressed by the democratic section of the INC, declared that their goal was a 'socialist pattern of society;' they adopted a series of measures curbing domestic big business and nationalized the Imperial Bank and insurance companies. The second five-year plan called for industrialization by setting up a heavy industry in the public sector, a goal which became perfectly attainable when, in the face of resistance from private big business, India proceeded to establish close economic relations with the Soviet Union.

Mining, heavy plant, machine-tools, aluminium and other new basic industries gradually became a sphere of state activity. And while decisions left no room for doubt that the public sector was to be complementary to its private counterpart, Mishra said, the concentration of new key industries, the infrastructure and certain credit institutions and banks in government hands objectively tend to increase the role of this sector in the economy. It was not accidental that subsequently official quarters spoke of the prospect of the public sector acquiring the 'comanding heights' in the economy. True, Parakal said, what exactly it meant was never spelled out.

As for the influence of the private capitalist sector, Parakal went on to say, it is still very strong. Whereas the share of the Indian state in coal and lignite production is 100 per cent, it is a mere 15 per cent in iron and manganese ore mining. In pig iron it is 85 per cent but only 48

per cent in finished steel. Whereas the state controls the production of petroleum products almost completely, its share in pharmaceutics comes to nine per cent. In a country whose railways and airlines have been nationalized virtually 100 per cent, 63 per cent of passenger and almost the whole of goods road transport are handled outside the public sector.

In Sri Lanka, a struggle has been going on among the domestic bourgeoisie ever since independence, with diverse groups trying to mould the economic role of the state according to their respective interests. While conservative groups associated with the United National Party assigned it an insignificant, purely auxiliary mission, the young national bourgeoisie, which at the time was represented by the Sri Lanka Freedom Party (SLFP), advocated the nationalization of foreign property, industrialization, and active state intervention in various economic activities, Subasinghe and Ratnavira pointed out. The establishment of commercial and economic relations with the socialist countries enabled Sri Lanka to set up a public sector in industry.

The number of enterprises in the public sector increased fourfold from 1958 to 1975. Growth was particularly rapid in 1970-75, when the United Front (an alliance of the SLFP, Socialist Party and Communist Party) was in power. The economic crisis in the capitalist world, which had a ruinous effect on the national economy, and pressure from the trade union movement and the people compelled the government to steadily increase its intervention in the economy, establish price controls and set up new state corporations (whose number doubled in those years).

In late years, however, the rightist section of the bourgeoisie and the imperialists have been putting stronger pressure on the public sector. They have resisted further nationalization by campaigning fiercely against it, a task made easier by the disintegration of the United Front.[4]

The fact that the destiny of the public sector, its development and socio-economic role were called into question with the change of government in India and Sri Lanka is evidence of the instability of its progressive potentialities and the limited opportunities for their manifestation in capitalist-oriented countries led by the national bourgeoisie.

The evolution and role of the public sector in newly-free states which afterwards opted for non-capitalist development has distinctive aspects. Al-Durra analyzed them with reference to Iraq's experience.

The struggle over the role of the public sector began in Iraq immediately after the 1958 anti-monarchic revolution. The new government originally set out to expand it, as evidenced, in particular, by

agreements signed with the Soviet Union on economic cooperation and the construction of a number of projects, above all in light industry. However, the domestic bourgeoisie opposed these measures. The rulers gave in to the bourgeoisie's pressure by adapting their policy to its requirements.

This policy underwent its first major change in 1964 when, under the impact of successful nationalization measures in Arab countries, especially Egypt, a liberal reactionary government nationalized 27 major industrial, four commercial and nine insurance companies and five banks. Banking and insurance were declared a state monopoly.

However, the beneficial influence of the public sector on the economy was restricted by the character of the regime, which could not develop the sector far enough to place it in a leading position. This sector, which in 1960-69 increased its share in the national income from 19 to 27.4 per cent, never achieved superiority over the private sector. Its share in industrial production did not exceed 39.3 per cent of the value of gross output, which meant allowing private capitalists appreciable opportunities for greater activity. And while in the period under review the public sector increasingly acquired national, anti-imperialist and anti-feudal features and the form which state capitalism had taken showed a trend toward strengthening the country's economic independence (unlike the period of monarchy, when state-capitalist enterprise was neo-colonialist), the regime's character prevented the sector from playing a really decisive role in the economy, let alone from demonstrating its anti-capitalist potentialities.

The very conception of the role and development trend of the public sector changed only when a national progressive regime assumed power (1968) and an alliance of patriotic and progressive forces comprising Baath — the ruling party — the Communist Party and other democratic forces, was formed. This sector came to be seen as the cornerstone of the economy and played a leading, decisive part in it. When all oil resources, once controlled by foreign monopoly capital, had passed to the state they began to serve as a most important basis for industrialization. In 1970-76, appropriations for industrial development amounted to 1,548m. dinars, or five times as much as was spent for these purposes in 1951-69.

Al Durra said that the possibilities of building up the public sector have greatly expanded in the new situation. Although this is still done by two basic methods — nationalization and new construction financed by the treasury — the state, having taken possession of the nation's oil resources, that is, using the former method, has been able greatly to increase the scope and efficiency of the latter. At the same

time, the nationalization of oil is the only real and effective means of integrating the oil industry into the national economy.

Stating that the public sector has moved into leading positions in key industries while in socialist-oriented countries it holds decisive positions throughout the economy, participants in the discussion added, however, that the lines of evolution of this sector still depend to a very great extent on the relations shaping between it and other socio-economic structures, first of all private capitalism.

The dualism of state-capitalist policy

The problem of relations between the public sector and big business and the monopolies, on the one hand, and small private enterprises, on the other, were dealt with at length, especially by speakers from the CPI.

Privileges of big business. At the early stages of formation of the state-capitalist mechanism in India, it was said at the seminar, its activity, whose purpose was to advance private enterprise as a whole, objectively contributed, irrespective of scale, to the growth of domestic monopolies. Better organized and commanding far greater resources, these were able to use most effectively the services and commodities offered by the public sector.

Government financial agencies granted huge credits to private companies, said *Raj Bahadur Gour,* CEC member of the NC CPI. As of March 1974, investments of the Life Insurance Corporation of India in the ten largest business groups totalled 1,022.6m. rupees, or 38 per cent of all investments in the private sector. The state helps the monopolies by holding equity shares. In 1970 it held 16 per cent of the equity capital of 113 private companies, or nearly 11,000m. rupees. In the Tata steel monopoly, its share made up 38 per cent. All this is indicative of strong links between these circles and the public sector. It is largely due to the aid of this sector, Parakal said, that the assets of the Tata and Birla monopoly houses, estimated in 1951 at 950 m. and 510m. rupees respectively, in 1973 exceeded 6,000m. rupees in both cases.

The monopolies, controlling the market and operating as the dominant supplier of the public sector, exact exorbitant prices for their output but impose low prices when purchasing products of this sector. Railway officials are bribed to accept high prices for plant manufactured in the monopoly sector. India's State Road Transport is dominated by foreign monopolies making chassis, tires, etc. (Gour's paper).

India's monopolies widely use the numerous enterprises of the infrastructure which supply them almost gratuitously or at nominal prices. *Ardhendu Bhushan Bardhan,* member of the NC CPI

(Maharashtra), said that the freight pattern of the Indian railways gives maximum advantage to the big business houses. The raw materials and goods required by the monopoly sector are delivered at low tariffs, the state shouldering the losses. Whereas in 1972-73 28 per cent of the freight traffic was carried below the actual cost of transportation, in 1973-74 this figure went up to 60 per cent. Monopoly companies profited widely by this state of affairs.

The experience of developing agriculture after India had won independence shows that in the countryside as well, most of the state-capitalist measures were adopted in the interests of the privileged part of the population (papers presented on behalf of the CPI by *Sunil Sengupta* and *Dr. S. Krishna Iyer* of Kerala and by *G. Yallamanda Reddy* of Andhra Pradesh). Although there is hardly any public sector in agriculture, the state has assumed the role of initiator of measures aimed at reshaping agrarian relations to a certain extent and at raising productivity. However, Sengupta said, these measures were limited in character from the outset and provided an incentive for higher output mostly in areas where landowners and the village rich now becoming capitalists were gaining strength. It is chiefly these two categories that purchase the fertilizers, high-grade seed and tractors produced in the public sector and widely use public irrigation facilities.

An objective result of the state-capitalist policy pursued so far in the countryside, especially in regard to the 'green revolution,' is the emergence of a parasitical capitalism associated with semi-feudal methods of exploitation. It is composed of bourgeoisified landowners and big middlemen, who in the mid-70s allied themselves with the monopolies to campaign against growing state regulation and intervention in the rural economy. In particular, they prevented the nationalization of the wholesale grain trade.[5]

The destiny of small-scale industry. Many speakers said that in spite of its pro-monopoly slant and its orientation on the privileged rural strata, the policy of state-capitalist enterprise and regulation shows a certain dualism, for with the rapid growth of the lower groups of the capitalist class and the rise of a huge small-scale industry, the ruling circles also had to take increasing account of the interests of this growing production sector and the demands of the social forces behind it.

Small- and medium-scale industrial enterprise holds a prominent place in the Indian economy. In 1961 there were 36,000 enterprises whose fixed assets did not exceed 1,000m. rupees each but by late 1973 their number had topped 40,000. Small-scale industry produces 45 per cent of the country's manufactured goods, valued at 64,000m. rupees. Ninety per cent of all registered factories are small units

(papers by *K.L. Mahendra,* member of the NC CPI from Andhra Pradesh, and Parakal).

Small- and medium-scale industry is assisted by the state and the public sector. India has 499 industrial estates where small enterprises are supplied with requisite services by the infrastructure. Small-scale industry has officially been entrusted with manufacturing 177 items. A substantial proportion of its output is purchased by the state and its enterprises. After the nationalization of 14 commercial banks (1969), these cut the share of credits granted to monopolies, simultaneously increasing that of credits made available to small enterprises. The public sector, Parakal said, also helps them in the sense that some of its major enterprises assist the formation of small, auxiliary private enterprises by supplying their owners with land, buildings, raw materials and knowhow. He cited as an example the Bokaro steel project, which is aided by 65 small private auxiliary units, with another 146 under construction.[6]

Some speakers noted, however, that small-scale production in India encounters many problems, such as the difficulty of selling output at equitable prices, severe shortages of important raw materials, credits and up-to-date plant, and strong competition from big private enterprises.

Anil Kumar Chatterjee (CPI, West Bengal) said that low productivity, the inefficient use of labor, huge waste of production resources and the inability to utilize investments prevent this sector from playing a really effective role in the economy and hence from fulfilling a mission which is one of its main raisons d'être. For under conditions of abundant supply of labor and acute shortage of capital resources, small-scale enterprises can create millions of additional jobs through labor-intensive technology and can produce more at a relatively small capital cost compared to the large-scale units. In other words, the problem is how to reorganize small-scale enterprises on which the future of this production sphere largely depends. The public sector could play an important part in bringing about a healthy evolution of small-scale industry and in reorganizing it.

Mahendra and Chatterjee singled out several sets of problems whose solution plus all-round government aid to small-scale industry would, in their opinion, pave the way for this reorganization. It is a question, first, of modernizing the production technology of small units and extending the range of their output. Government agencies could help them to produce items of a higher quality at relatively low prices and at low cost.

Second, to end unprofitableness, which is largely due to the fact that small mechanized enterprises generally make on their own everything ranging from prime components to the finished product, the

state ought to contribute vigorously to the formation of small private auxiliary or subsidiary enterprises along with state enterprises. As matters stand, however, only 6,000 of India's 140,000 enterprises of this type are auxiliary. This means that many small manufacturers produce commodities which must compete with the output of large-scale industry and that they are in constant danger of bankruptcy.

Third, the operation of small-scale industry must be organized and regulated under an overall national plan and developed with due regard to the interests of the overwhelming majority of society. In the process, every sound and judicious individual initiative could be encouraged by the state, which could function as coordinator. As a result, there could develop a healthy class of small enterpreneurs closely linked with and influenced by organizations in the public sector.

Professor *V.I. Pavlov,* D.Hist. (Soviet Union), spoke of the significance of cooperatives in establishing relations between the state and small-scale production. A democratic system of credit and trade cooperatives could become the main channel linking the public sector with these groups of employers. The latter would purchase raw materials from the state, dispensing with private middlemen, and would gain greater access to credits and improve production technology. The result would be more competitive small enterprises. In capitalist-oriented countries, however, the development of cooperatives on democratic lines is impeded by the very nature of the bourgeois superstructure, geared primarily to supporting well-to-do elements.

Not so in countries which first took a non-capitalist road and then went over to socialism. *Badamyn Lhamsuren,* member of the CC MPRP, referred to Mongolia's experience to show how a people's state, respecting the principles of gradual advance and voluntary adherence, solved stage by stage the problems of the formation of cooperatives of small-commodity *arat* (livestock farmer) households, traders and handicraftsmen. At the democratic stage of the revolution, it encouraged the establishment of national cooperatives — shops and handicraftsmen's enterprises — as well as initial forms of joint labor by *arats*. It was not until the early 60s that the formation of arats' production cooperatives on a mass scale had been completed. Commercial and consumers' cooperatives and then large handicraftsmen's associations became state enterprises. People's power gradually put small-scale production on a socialist basis and integrated it into the national economy.

Speakers stressed that the destiny of small-commodity and small-capitalist structures depends largely on what classes and social forces direct the evolution of small-scale production, which means that

either the public sector and the patriotic forces backing it will promote the development of small-scale industry in a direction meeting the country's interests, or big private monopolies will assume control of this sphere and adjust its operation to their selfish needs.

The trend toward state-monopoly capitalism. In my country, said *Hamid Safari,* Executive Bureau member, CC People's Party of Iran, state-capitalist policy is adapted primarily to supporting big proprietors. To them, the state is a unique assistant in amassing capitalist fortunes. One-fifth of government investments goes into the private sector, according to official statistics. Under the fifth five-year plan, this sector will be allocated credits totalling 179,600m. rials. Another incentive for large-scale private capitalist enterprise today is growing cooperation between the public sector and international capital in the course of which an intimate connection is being established between the economies of Iran and leading capitalist powers. The public sector's biggest partner is the U.S. multinational companies, which invest in oil, petrochemicals, aluminium and mining. At the same time, domestic bank capital is fusing gradually with foreign capital. A case in point is the Iran Chase International Bank, in which 35 per cent of the stock is held by the U.S. Chase Manhattan Bank, 22 per cent by Iran's state-owned Industrial Credit Bank and the rest by private Iranians.

Safari was asked how far it may be claimed that as a result of further fusion of the state with domestic big business, and particularly close association with foreign monopoly capital, state capitalism in Iran is evolving toward state-monopoly capitalism, and whether in the process the capitalist economy is becoming more or less dependent.

There is a danger of such evolution, Safari answered, for major industrial groups are forming apace in Iran and 85 per cent of the companies are controlled by 45 families. The state has begun to export capital; it is a partner of major capitalist companies, such as Krupp, and is setting up enterprises in several capitalist and developing countries in collaboration with foreign monopolies. In 1975-76, Iranian investments in these countries and the credits granted to them rose to $3,000m.

The policy of the regime — which is striving to strengthen big mixed companies involving state and private capital (both domestic and foreign), make state enterprise the material basis for the fusion of state capitalism with multinationals and expand, particularly in its own area — as well as its effort to militarize the country, speak of qualitative changes in the evolution of the 'Iranian variety' of state capitalism which hold the promise of its eventually becoming a dependent state-monopoly capitalism. This is seen in the rapid growth

of industrial, financial and bank capital and in the appearance of monopoly trends in the Iranian economy.

However, increasing integration of the public sector into foreign monopolies is not ending the country's lag or its dependence on the capitalist world economy but aggravating these phenomena,[7] Safari continued. Iran still lacks a material basis of its own for the production of machinery and modern plant and has to import both, mainly from Western countries. There are hardly any major scientific or technological centers in Iran where domestic engineers could evolve various technologies, for Iran is fully dependent on foreign monopolies in this field as well. In short, even though Iranian capital is fusing with international capital, it is only a 'junior partner' of the latter.

In India, Mishra said, the domestic monopolies today feel strong enough to promote extensive cooperation with multinationals without fear of being swallowed up by them. In foreign trade the big industrial bourgeoisie sometimes finds it profitable to seek the aid of government agencies to guarantee the sale of its output, such as sugar, and to purchase raw materials and plant, said *Asok Barman,* (CPI, West Bengal). India's monopolies would like to enjoy government support in trade comparable to the backing which their class brothers have in developed capitalist countries.

Pointing to the transitional character of the public sector under capitalist-oriented regimes, participants in the seminar said that as state capitalism goes on developing it may happen that either elements of interaction between the superstructure and private monopolies will grow stronger, which would ultimately threaten the rise and strengthening of state-monopoly trends, or the prerequisites of transition to a more progressive social order will be created. The latter phenomenon is more marked in developing countries which choose a socialist orientation. But even there one cannot discount the impact of private capitalist spontaneity, which has dangerous implications for the future of revolutionary democratic regimes.

The private sector and non-capitalist development. In socialist-oriented countries, the greatest threat to progressive policies is posed by neo-bourgeois parasitical strata: contractors, brokers and middlemen associated with the public sector, and the bureaucratic bourgeoisie. In Iraq, Al-Durra said, the number of private contractors whose services are used by state enterprises and companies grew in 1970-75 from 728 to 2,788 and their financial resources came close to 30m. dinars. These elements have an adverse influence on government agencies, whose officials they try to corrupt.

The intensifying contest between the public and private sectors in Syria, Garro said, finds reflection in the class struggle going on

between two fundamental political trends, the progressive and the reactionary. Supporters of the former call for steps to carry forward progressive gains, consolidate the positions of the public sector, abolish large-scale property in the countryside and encourage agricultural and handicraftsmen's cooperatives, and point to the danger of formation of new big capital. They consider that the public sector must regulate the activity of the private sector to ensure that the latter contributes to the fulfillment of national economic plans.

Those who would like to curb the growth of state enterprise, strip it of its anti-imperialist and anti-capitalist content and put it in the service of private capitalism adhere to a right-wing, reactionary position.

Speaking of Mongolia's experience of non-capitalist development under the leadership of the Mongolian People's Revolutionary Party and stressing the decisive role of the MPRP and Soviet aid in the formation of the state sector and its socialist character, Lhamsuren pointed to the policy of the people's democratic state toward the private sector and the exploiting forces associated with it. The fact that the state has moved into key positions in the economy, in which the state sector had from the outset constituted the embryo of a form of property owned by the whole people, made it possible first to restrict the economic positions of feudal lords and then, by the late 30s, to remove the feudal structure. With the support of state and cooperative trade and a finance and credit system, the government at the democratic stage of the revolution took steps to limit the growth of a rising domestic bourgeoisie. As a result, big private enterprises were unable to form an autonomous structure and elements of a national bourgeoisie failed to form a class. The steady growth of the state sector at that stage not only made it the core of a new, socialist structure but brought about radical changes throughout society's social and economic system.

But in developing countries at the national democratic stage of the liberation movement, it was noted at the seminar, the public sector is going through a very tortuous evolution, and the progressive forces will have to do much to vindicate its truly independent, democratic, anti-imperialist role. It is highly important to perfect the operation of this sector.

Efficiency and prices

As the state in developing countries increasingly influences production, it was noted at the seminar, the problem of enhancing the economic efficiency and profitability of the public sector, of enterprises in this sector, is gaining importance and it is becoming impera-

tive to introduce democratic changes into the existing pricing of state services and products.

Basic criteria. Several participants in the discussion noted that in many, chiefly capitalist-oriented, developing countries, the efficiency of the public sector is still interpreted largely under the influence of old concepts, such as that of operation on the principle of 'neither profit, nor loss,' and its role is assessed mainly from the standpoint of its contribution to overall economic growth. Financial returns (incomes, new resources, and so forth) are ignored. The prices fixed administratively, 'from above,' do not take production costs into account and deprive enterprises of all profit.

In a 'mixed' economy, in which two sectors — the public and the private capitalist — interact, the profitability of a state enterprise is the yardstick of efficiency of its work and a condition for its further expansion on the basis of its own resources, said Bardhan. But in the public sector profitability cannot be achieved by the favorite methods of a 'free economy,' such as the creation of an artificial scarcity of goods or other devices of this kind. The principal way is to make the best possible use of production capacities, improve management and technology and pursue a correct pricing policy. It is now important to work out a definite set of criteria that would, unlike the bourgeois approach to the problem of the public sector's efficiency, take into account the entire spectrum of factors influencing its democratic and progressive development.

O.D. Ulrikh, D.Sc. Econ. (USSR) considers that assessment of the economic efficiency of the public sector in developing countries cannot be based on one pattern, such as assessment of the results of private capitalist enterprise, in which there is only one criterion, the profit rate. In developing countries state intervention in the economy means increasing state influence in the most diverse areas of life and leads to major social changes. In the given case, it is only natural to take a comprehensive approach, assessing the efficiency of state production under socialism at many levels and gauging social aspects in addition to purely economic ones.

Economic efficiency implies progress achieved in fulfilling a definite economic, social task or in drawing close to the attainment of the objective aims of social development. In many Afro-Asian countries this task, to which the operation of the public sector of the economy is subordinated, is to speed economic growth and put an end to backwardness and dependence on foreign capital. The general macroeconomic indicator of progress toward this aim is growing productivity of social labor, which is achieved by improving the functioning of state-owned enterprises and by the state sector's influencing the national economy as a whole. To one extent or another,

the indicators of the trend of productivity of social labor depend on how effectively the public sector implements specific guidelines for the development of new industries, increased concentration in the public sector through the promotion of large-scale production, introduction of technological improvements in the economy, changes in employment level, the utilization of the national income and, lastly, changes in the pattern of consumption. The extent to which each of these tasks is carried out is, at the same time, a gauge of the efficiency of the public sector.

An overall assessment of its efficiency must also take into account the level of fundamental structural social changes resulting from state intervention in the economy. In addition, its role in abolishing the most backward and devising new, more progressive forms of economic management must be borne in mind. Also, an important indicator of the public sector's efficiency is its contribution to the integration of the national economy. There are, furthermore, the impact of the increased state output of goods and services on the development level and rate of the economy and some other indicators.[8]

Cost estimates are also a key criterion of the efficiency of the public sector and its various enterprises. The factors determining the cash receipts of enterprises, industries and the sector as a whole likewise depend in large measure on the orientation of state economic policy and the methods by which this policy is carried on. The public sector's cost estimates can hardly be automatically compared with similar indicators of the private sector. It must be remembered that expenses in this sector provide, above all, for the fulfillment of development macroeconomic tasks, among which the receipt of surplus valus is a particular aim subordinate to the general national-task of promoting the growth of the newly created value (as distinct from private capital, whose expenditures pursue the aim of profit).

On the other hand, the fact that part of the value created in the public sector ultimately goes to the private sector is the objective reason for the former's relatively low profit rate in capitalist-oriented countries, where it consists almost entirely of branches of a developing heavy industry and the production infrastructure, while the profitable manufacturing industry is (with some exceptions) in the private sector.

The situation is different in the socialist-oriented countries, Ulrikh said. In these countries, large-scale industry, i.e., branches of both subdivisions I and II, is mainly in state hands. Here profitability shows a steady upward trend. Emphasis on planning, the introduction of material incentives for employees of state enterprises and in-

creased responsibility of their managements are components of the policy that many such enterprises strive to adopt.

Citing Iraq's experience of combating major shortcomings in the public sector that affect its profitability, Al-Durra said that these shortcomings have lately been the subject of a series of discussions at different levels, including discussions with government participation. Their results were reported by the mass media and this helped to bring the working people into the effort to remove negative phenomena and trends in the development of the state economic mechanism.

Object of class struggle. Participants in the seminar noted that the efficiency of state enterprises had grown in recent years in some developing countries, including the capitalist-oriented ones. This was a result of better utilization of equipment, improved management and closer contact between the state administration and the workers, but above all of the workers' large contribution to higher productivity and output.

Many speakers stressed that the existing system of price formation is a hindrance to greater efficiency and profitability in state enterprises under bourgeois rule. The artificial prices fixed 'from above' benefit mostly the monopolies and deprive state enterprises of the incentive to function profitably. If the output of the Indian iron-and-steel industry were to be sold at world prices, the leading company in this field, Hindustan Steel, would in 1972-73 have made (according to some estimates) a profit of nearly 3,250m. rupees, instead of incurring a loss of 270m. rupees, Bardhan said. While purchasing the intermediate product of this industry at ludicrously low prices, domestic big business imposes the highest possible prices for the finished product; the private stockists and dealers hoard steel and sell it at many times its cost price when demand goes up. It is no news that the Indian black market has produced quite a few millionaires.

The price structure of the public sector products must reflect the objective necessities of that sector in the process of its growth and expansion, and in stimulating economic development as a whole, Bardhan said. Of course, certain conscious and planned deviations from value either way can become a means of influencing production growth, technological progress, etc. The decision whether in any branch of the economy, the actual volume of output is the desired goal irrespective of profits, or whether profit is the main consideration, can be consciously taken in the public sector. Thus, in industries concerned with producing capital goods, the first consideration may hold sway for a period, while in industries producing consumer goods, the second consideration may be decisive. But whatever the consideration, the actual price must be based on the

cost price of the product and on the need to ensure the viability of the pubic sector's production unit.

Mrinmoy Bhattacharyya (CPI) said that the state should make a certain discount on the prices paid by small producers for electricity, irrigation and other services. This policy would make the small producer more competitive in relation to the big monopoly producer.

Chaturanan Mishra, member of the CPI National Council (Bihar), said that the struggle for a democratic-oriented pricing policy would be successful if conducted consistently and vigorously. Such was the case, for instance, when the All-India Trade Union Congress campaigned successfully for the preservation of low coal prices for small consumers while prices were raised in the case of large consumers. In spite of the efforts of the ruling circles to increase charges for electricity in the state of Bahir, the progressive forces saw to it that charges were put up only on the high-voltage transmission lines supplying private companies.

Speakers said that by launching class actions for a more equitable pricing policy, the masses were joining in the broader struggle for a democratic public sector.

For democratic development

Participants in the seminar regarded democratization of the public sector in developing countries as a sum of measures designed to bring about appropriate changes in the management of state enterprises and the entire public sector, including the composition of the managerial staff, and as a broad and many-faceted policy aimed at freeing state enterprise from the influence of private business, democratically restructuring relations of production, exchange and distribution, and establishing more equitable consumption norms. Despite differences in the approach to these problems in capitalist and socialist-oriented countries, the drive to democratize this sector shows many common features and aspects.

New guidelines for action. Pavlov spole of some problems of the evolution of the public sector in developing countries whose solution would be largely facilitated by the sector's democratic development.

The task is, first, to democratize accumulation methods. Where the state steadfastly builds up the production capacities of the public sector, the accumulation fund will grow continuously and taxes will decrease accordingly provided management is efficient and fair prices are fixed for state products. Moreover, the public sector can be given a democratic foundation, for it acquires the opportunity for self-development.[9]

State control of the means of production that unite the public sector with the huge mass of producers in pre-capitalist, small-commodity

and semi-natural sectors is another major factor for the democratic development of state enterprise. The range of output of state enterprises must increasingly meet the production requirements of these sectors of the economy in both agriculture and industry, and contribute to their current output and gradual modernization and reorganization.

Lastly, the democratization of the public sector includes a reexamination of pricing policy, which must take into account primarily the interests of the masses, of the small consumer. It is even more important to make sure that the commodities produced by workers and engineers in the public sector reach those for whom they are intended and at legitimate prices. These purposes could be served, for example, by workers' marketing control committees and other specialized democratic control bodies. The trade unions and peasants' organizations have an exceptionally important role to play in this respect.

C. Unni Raja, member of the CPI National Council (Kerala), spoke of the sale of necessities by fair-price shop in towns and villages in Kerala, where they cater for practically the entire population. The only such network in India, it has spread wide under the United Front government headed by the Communist Achutha Menon. Every family is issued a ration-card, which entitles it to purchase a fixed quantity of rice, sugar, wheat or kerosene. At the close of 1975, a total of 3,600,000 families had such cards and there were 11,400 shops. Steps have been taken to enlarge the social distribution network in Kerala. Effective operation of this network, which satisfies at least the prime requirements of the people, particularly of the poorest strata, has helped to curb profiteering and has, on the whole, benefited the state's economy. Its problems (low development level of the productive forces, etc.,) can only be solved radically, said *Kozhitkotde Aravindakshan* (CPI), Kerala), with active state participation in economic and above all industrial development.

The experience of organizing a large network of centers for social distribution of necessities at the level of one state, Unni Raja said, has also shown that the development of what has been achieved will be hindered by the fact that Kerala continues to be dependent for supplies of many prime consumer goods on the central government and by the fact that the manufacture of these goods is controlled by big business. This makes it vitally important to campaign for the nationalization of wholesale trade in such goods and for the establishment of such a distribution system on an all-India scale.

This struggle in capitalist-oriented countries, it was stated at the seminar, could involve not only the working class and communists but the peasants, small producers, artisans and others. A powerful

social movement against reaction and exploitation, for a democratic public sector, Faulwetter said, could be effectively launched by rallying the masses to support the demand for the nationalization of the production of necessities and by taking action against rising prices, middlemen and usurers.

In socialist-oriented countries, the drive to *deepen* the democratic content of the operation of the public sector becomes more intense with the removal of the national bourgeoisie from power. As this drive goes on, the role of the state in organizing the management of social production increases and an all-embracing marketing system is organized. In Syria, Garro said, consumers' organizations supplying the population with some necessities have been set up in the public sector. Some of them maintain stable prices. The share of the state in internal trade is growing (in 1972-74, it rose from 36.7 to 44 per cent). However, this does not mean that the economic development level of the public sector has been brought into line with the interests of the masses. Although it is true that Syria has entered a phase of development in which the public sector must grow not so much through further nationalization as through the construction of new factories and other projects, the Communist Party insists on the nationalization of all wholesale trade, much deeper changes in distribution, greater state intervention in relations between agricultural production and the market, and better living conditions for the people.

Speaking of the progressive development of the public sector in socialist-oriented countries, Haba stressed the importance of the influence exercised on this process by national fronts representing the alliance of the working class, the poorest peasants, the petty bourgeoisie, semi-proletarian elements and other working people. Supervision of the public sector by the masses is indispensable for its evolution toward a socialist orientation. The existence of this class coalition is essential for completing the transitional period and moving on to the higher, socialist social system. This development will become possible, Haba said, if the communists are drawn into effective participation in the management of the public sector.

Democratization of management. A major aspect of democratizing the public sector in developing countries is to bring the workers into the management of production, of the affairs of factories.

In many countries, even those with a capitalist orientation, Faulwetter said, the working people are fighting for participation in the settlement of important social and production problems (use of profits, fixing of prices, marketing, and so on), for more control over employment of manpower and rating, greater rights for trade unions in cases of dismissal of workers, and for access to information on the state of affairs at enterprises. It is equally important for the working

class to participate in control over the utilization of fixed assets, and for the management to heed worker opinion when structural changes and technological innovations are introduced.

Nitis Sett (CPI, West Bengal) stressed that worker participation in management can be real if implemented at all levels, in making all major decisions on enterprises and industries. Although the trade unions proposed a plan for worker participation in this activity as early as 1971, the ruling circles did not respond to this initiative.

Madyam S. Krishnan, member of the CPI National Council (Karnataka), drew attention to such an aspect of democratizing the management of the public sector and its enterprises as the need for radically changing the existing administrative apparatus, dominated by bourgeois cadres and bureaucrats with reactionary views, many of whom had been employees of private companies and still maintained ties with big local and foreign capital.

However, the experience of the working-class movement in India shows that even under a bourgeois regime, with its far from progressive managerial apparatus, the working people can bring effective pressure to bear on the management of state enterprises, compelling it to adopt decisions on production, personnel and other matters acceptable to the workers. Krishnan and Sett cited some examples showing that occasionally the workers can even achieve a reorientation of an enterprise's external economic relations. This was the case at a ferro-alloy factory, when the All-India Trade Union Congress insisted that nickel, usually imported from Canada, should be purchased in Cuba, which proved more economical.

Notable successes in the struggle for participation in the management of banking have been registered by the All-India Bank Employees' Association: its representatives obtained access to information on the distribution of credits, effectively intervened in the activities of nationalized banks and brought to light many shortcomings in their work. This helped to expose some financial machinations by big business.

There are many other facts of this kind. They show that pressure from below is an important means of the struggle to democratize the management of public enterprises. At the same time, speakers at the seminar said, there can be no worker control over management and production under the bourgeois system in the true sense of the word — it is only possible where the workers are in power. More, the bourgeoisie endeavors to impose upon the working class forms of 'participation' in the affairs of state-owned enterprises that suit its own interests. There are politically skilled groups in this class, Faulwetter said, that while being essentially opposed to genuine democratization, are prepared to recognize certain forms of cooperation

between workers and the management in the interests of 'class harmony.' Bourgeois managers try to exploit the working people's desire for improvement of their conditions so as to increase the productivity and profiit rate of enterprises.

The struggle to democratize the public sector, the management of its enterprises, Faulwetter emphasized, cannot be reduced to a policy of wresting temporary concessions from the bourgeoisie for the sake of one-off material benefits. Its purpose is to show the worker that even in conditions of capitalist development he can manage public affairs effectively and, unlike the propertied classes, fairly. This struggle cannot be regarded as something isolated from the class battles going on in the private sector. On the contrary, it is important that in both sectors the working people's actions should be coordinated and that the democratization of the public sector should be used as a means of putting pressure on the capitalist.

Lastly, participants in the seminar noted, the struggle for these aims will bring tangible results only if it is part and parcel of the class and political battles against oppression by the exploiters, for a radical restructuring of public life, of the existing state.

Front of struggle. The working class, some speakers said, must insist on adopting a managerial personnel selection policy that would prevent domination of the public sector by bourgeois-bureaucratic elements and those with pro-imperialist leanings. Questions of this kind must be considered and settled not in ministries, not only on an official level, but by agencies in which the trade unions can have their say on various aspects of the operation of the public sector. This would bring to the enterprises patriotic managerial personnel devoted to their work. Another matter of considerable importance is to train and select personnel that would, in addition to having the necessary technical and professional expertise, be committed to strengthening anti-imperialist, democratic trends in the public sector. These trends could be made stronger, in particular, by establishing closer bonds between the workers and the new managerial personnel.

The art of management should be mastered by workers, for this would enable them to intervene more competently in production and, in future, take over management. The trade unions should seriously help the workers to learn the secrets of management. Sett drew attention to the appearance of new working-class groups engaged in modern forms of labor, knowing how to operate sophisticated equipment, having a relatively high standard of education and therefore capable of intervening in the management of enterprises more knowledgeably. Today young workers have a better idea of democracy and of the rights and benefits that a worker must enjoy. Many of them respond readily to patriotic aims and are active in the trade unions.

All this is evidence that the basis of the struggle to democratize the public sector is widening. The new technical intelligentsia is also aligning itself with the working class. This struggle will gain in scope as more workers join in it, including those who are subjected to particularly harsh oppression and discrimination, such as members of the lower castes at state enterprises in India.

It was stressed at the seminar that progress in democratizing relations in production and in mobilizing the masses for conscious, voluntary participation in actions aimed at strengthening the public sector can only be achieved by consistently upholding the interests and rights of the working people. In this context, it is of considerable importance to bring about a change in the condition of blue- and white-collar workers employed at state enterprises, for it is often worse than that of employees of the big capitalist sector.

The problem of a wage lag also exists in the public sector of socialist-oriented countries, such as Iraq or Syria. This has an adverse influence on the working people's thinking and gives them illusions regarding the private sector. The task is not to press for a decrease of wages in that sector, Al-Durra said. The important thing is to regulate it in such a manner as to redistribute incomes in the Iraq economy, and halt the drain of workers from state enterprises by raising the living standard. Garro noted that lately steps have been taken in that direction in Syria, where wages have been raised. But this phenomenon can be ended only by solving the entire range of socio-economic problems, such as the rising cost of living or inflation.

Speakers stressed that the working class and the trade unions must uphold the right to act on the widest spectrum of questions bearing on the given enterprise or industry. Chaturanam Mishra and some other speakers said attempts by managements to curb the independent trade union movement and deny recognition to democratic trade unions could not be tolerated.

At the same time, the working class must press more vigorously for its demands in representative state bodies, Krishnan said. These agencies could be used more effectively for democratizing the public sector, for developing it on anti-monoply and anti-imperialist lines, for exposing the corruption, mismanagement and subversive activities of the bourgeois bureaucracy.

While noting the significance of the inner aspects of the struggle for a democratic public sector, participants in the seminar said that the success of this struggle depended largely on the type of economic links formed between state enterprise and the outside world.

Cooperation for stronger independence. Many speakers stressed the big role that economic assistance from socialist countries, particularly the Soviet Union, continues to play in the promotion of the

public sector in the developing countries. They criticized imperialist policy, whose purpose is to turn this sector into an instrument of neo-colonialist rule.

It was said at the seminar that economic relations with socialist countries had helped the developing nations to fight for economic independence and self-sufficiency. Formerly the imperialists had blocked every step toward setting up key industries in the public sector of Asian and African countries,[10] but today a changed situation and, above all, steadily growing aid from socialist to developing countries compel them to cooperate with the public sector. This is seen in the creation of so-called mixed enterprises involving state and foreign capital. But there has been little change in the imperialists' aims. In this way they expect to strengthen their positions in young states and to influence state enterprise there. Foreign and domestic monopolies are continuing their assault on the public sector, although they generally take the precaution of camouflaging their attacks, Mitra and Parakal noted.

Subasinghe pointed out that there are a number of economic requirements, notably the need for the rapid development of the productive forces, that make economic relations between developing and capitalist countries objectively necessary today. However, there is a constant threat of again making the former economically dependent on the latter, even where the more negative forms of this dependence are partially eliminated. Subasinghe and Ratnavira said that in Sri Lanka the achievements of a number of industries are today jeopardized by the emergence of new forms of dependence engendered by foreign loans and investments. The national bourgeoisie declares that it hopes these loans and investments will help to ensure at least modest growth rates. However, this policy is only helping to intensify neo-colonialist infiltration by multinational corporations.

Al-Durra said that in Iraq, despite many revolutionary gains, the foreign capitalist companies, finding footholds in technically advanced, non-traditional industries, are endeavoring to impose new forms of dependence, chiefly technological, upon the republic. The Common Market countries have seized contracts worth 432m. dinars, which equals 60.2 per cent of the total cost of centrally financed projects, while the share of other capitalist firms in these contracts amounts to 128,800,000 dinars (18 per cent of the total cost).

The Iraqi Communist Party sees a possibility that Iraq will benefit from cooperation in industrial development with capitalist countries. But there are definite conditions to meet: the building of industrial projects by multinational monopolies must proceed within the framework of a general national strategic plan; cooperation must be limited in time, with dependable guarantees against negative effects;

steps must be taken continuously to strengthen the anti-imperialist, anti-capitalist character of the public sector and the country's progressive policy as a whole. At the same time, special significance must be attached to relations with the socialist world. The Iraqi experience shows, Al-Durra said, that by relying on socialist countries and signing an agreement on cooperation and coordination with the CMEA, Iraq has consolidated its indedpendence and acquired new possibilities for pursuing a progressive policy in the economic sphere as well.

The socialist countries render the developing nations increasing economic and technical assistance to strengthen the positions of the public sector in industry, the infrastructure and agriculture. The socialist economy has demonstrated high, stable growth rates, and as it develops, Pavlov said, cooperation between socialist and developing countries will increase. In 1970-75 alone, trade between CMEA and developing countries grew from 5,000m. to 12,000m. roubles. The socialist community is making every effort for world peace and greater détente, which will make it possible to allocate more and more resources for these purposes.

Gour noted the importance of both the quantitative and the qualitative aspect of economic and technical cooperation between socialist countries and new states. This cooperation helps the latter to strengthen the economic foundation of their struggle for economic independence. More than 70 per cent of the assistance from CMEA countries is used for this purpose. How these factors are used by the ruling circles is a different matter. The task of our peoples, he said, is to ensure the use of the opportunities afforded by socialist assistance in the context of pursuing an independent foreign economic policy.

Speakers said that the economic assistance received by developing nations from socialist countries cannot be regarded as being isolated from the overall policy of the socialist community, which helps these nations to strengthen their independence and sovereignty and hence to put up more effective resistance to the economic pressure of imperialism and the multinational monopolies and develop their economy independently. At a time when it is impossible to renounce entirely economic relations with the capitalist world, Haba said, the policy of the socialist world helps to place these relations on a new, equal basis.

In his concluding remarks, *N.K. Krishnan,* member of the Central Executive and Secretary of the CPI National Council, dwelt on some key problems of the evolution of the public sector in developing countries. He singled out the following basic factors that determine the attitude of the communists to the participation of the national state in the economy and, above all, in the reproduction process.

Firstly, the public sector in most cases represents the most up-to-date productive forces. Its very establishment is a negation of capitalist relations. It is in this sector that material prerequisites for transition to a higher economic order are being created.

Secondly, the all-round growth of the public sector on an anti-imperialist, anti-monopoly, democratic basis and under the control of a bloc of national democratic or revolutionary democratic forces is a suitable economic form of transition of the newly-free countries to a progressive path of social development.

Thirdly, in the obtaining political situation, no sector of the economy except the public sector can become a lever of profound transformation of all other modes of production, particularly the petty-economy, natural and patriarchal modes, which in these countries employ hundreds of millions of workers.

Fourthly, relying precisely upon the public sector, the developing countries are striving to restructure international economic relations on the principles of national sovereignty, equality and mutual benefit. These principles already form the basis of their relations with the socialist countries. By rendering effective help in the creation of a powerful public sector, the socialist world has contributed greatly to the establishment of such international economic relations. The Indian people know this very well from their own experience.

Krishnan next touched upon three major subjects which featured prominently in many papers presented at the seminar: the specific nature of the public sector in the developing countries, and trends of its evolution; the relationship between class and national aspects in public sector ownership; the public sector as an object of class struggle.

Stressing that in the long run this sector's evolution follows one or another type of formative development (capitalist or socialist), Krishnan said that the phenomenon under study had many features. It could hardly be identified with any of the types of state intervention in the economy known so far in history, although there were some features of repetition and historical continuity. The overwhelming majority of the developing countries differed fundamentally from both the developed capitalist and the socialist countries insofar as no definite mode of production had yet attained a decisive degree of maturity in these countries.

A key problem of post-colonial society is the contradiction between the system of neo-colonialism, economic independence and the national need to find ways and means of rapidly and comprehensively strengthening both political and economic independence and sovereignty. The national state can operate as the chief economic instrument in resolving this contradiction. It removes barriers to the

development of the productive forces, creates the conditions for their effective functioning and protects key branches of the economy from the anarchy of private capital.

However, there are serious contradictions where the public sector has assumed the form of state capitalism and is governed by the laws of capitalist production. In conditions of political domination by the national bourgeoisie there is always the danger of state capitalism becoming an instrument serving domestic and foreign big capital. In capitalist-oriented countries an important task of the communists, of all left-wing and democratic forces, is to prevent or stop such development.

On the problem of the relationship between class and broad national elements in the functioning of the public sector, Krishnan noted that as long as the laws and methods of capitalism form its basis, the general national elements of the public sector are gradually relegated to a secondary place and are considerably limited by domestic exploiters.

However, if we acknowledge the objective national importance of the public sector — and this is dictated primarily by the struggle for its anti-imperialist, anti-monopoly and democratic evolution — creating an alliance of all the classes committed to such evolution becomes an urgent task. This alliance should also include those sections of the ruling classes that can express a consistently democratic trend in the state's economic policy. The alliance of left-wing forces with these sections on the question of the role of the public sector is based on their common interest in an evolution in the course of which effective control would be established over private capitalist spontaneity and monopoly domination could be curbed. State intervention should be extended to those branches of the economy which directly affect the life of the masses. Thus, already within the framework of bourgeois development, the public sector can and should be democratized and the national element in it strengthened.

History teaches us, Krishnan said, that the determining factor influencing the evolution of the public sector is the class struggle developing around and inside it from its very inception. The main demarcation line in the struggle for the future of the public sector in capitalist-oriented countries is between those who strive for the maximum development in this sector of the material prerequisites which restrict private capitalist anarchy, and those who want to make it an instrument serving the monopoly elite, big business. In politics, the line of demarcation is between the working class, the mass of peasants and the non-monopoly segment of the national bourgeoisie, on the one hand, and right-wing reactionary forces, monopoly houses and circles allied with them, on the other. Besides the working class,

a new force is emerging in this sector, comprising technical personnel and a stratum of the new managerial staff, who display patriotism and are committed to the national objectives of the public sector. The communists differentiate these sections from the rest of the bureaucracy and treat them as a potential ally in the struggle to safeguard the public sector against foreign and domestic monopolies.

While pressing for a democratic perspective for the public sector, it must not be overlooked that already within the framework of the capitalist system its effective functioning and democratic development come into sharp conflict with the interests of domestic and foreign monopolies, and that this can be made to serve the common interests of the patriotic segments of the national bourgeoisie and the working masses, in other words, common national needs.

The struggle for the progressive development of the public sector retains its significance also in countries with revolutionary democratic regimes. Experience has shown that under a revolutionary democratic regime, the question of 'who will win' — a question that is acute in the public sector as well — remains a key issue of the class and political struggle. To a considerable degree, the outcome of this struggle depends on the determination and unity of the working class, the working peasants and all other true patriots.

In conclusion, Krishnan noted that, as shown by the discussion, the communist and workers' parties had gained vast experience in struggle for the progressive development of the public sector in young states, which, having been given a new impetus for progress by the radical shift in the world balance of forces and by the closer unity between socialist and developing countries, is becoming a focal point of the international class struggle.

In closing the seminar, *Srinivas Ganesh Sardesai,* member of the Central Executive of the CPI National Council, stressed that representatives of fraternal parties had shown a community of views in assessing the role of the public sector and ways and means of its development, the class struggle going on around it in the newly-free countries, and the importance of relations with the socialist world. This, he said, is yet another concrete expression of the international brotherhood and unity of the communists. It is important to continue studying this problem. In view of the profound social distinctions between the developing countries, such a study, if concrete and not confined to generalities, could, Sardesai said, serve each and every one of us.

1. The public sector has been under attack since the assumption of power by the Janata Party. Its growth has been curbed and further nationalization suspended. Far-reaching concessions are made to domestic and foreign monopolies. (See N.K.

Krishnan, 'Our tasks in the context of the new situation in India,' in *WMR*, November 1977).

2. The new government of Sri Lanka, formed by the United National Party, has announced its intention to give priority to the private sector and denationalize a number of state-owned enterprises in industry and agriculture.

3. There are large-scale plans to develop this sector in agriculture as well by cultivating new lands, although its role in Syrian and Iraqi farming is still very modest. In Iraq, state and collective farms take up only three per cent of the cultivated land area, Al-Durrah noted.

4. See D.W. Subasinghe, 'Political alliances in the anti-imperialist struggle,' in *WMR*, July 1977.

5. The situation is different in the State of Kerala, where, to quote Iyer, the left-wing democratic coalition in power has successfully completed land reforms, set the lowest ceiling on landownership in India and taken initial steps to establish collective peasant farms. For the progressive changes effected in Kerala, see A. Menon, 'Left-democratic coalition in power' and 'The progressive program and working people's activity,' in *WMR*, November 1973 and January 1977.

6. Prime Minister Morarji Desai has announced that his government intends to lay emphasis on the development of labor-intensive production — small enterprises and industries.

7. For details, see I. Eskandari, 'The illusions of bourgeois reformism in developing countries,' in *WMR*, May 1977.

8. For details, see O.D. Ulrikh, *The Third World: Development Problems of the Public Sector*. Moscow, 1975 (in Russian).

9. For details, see R. Ulyanovsky, V. Pavlov. *Asian Dilemma. The Essence of Social Progress in the Transitional Period*. Progress Publishers, Moscow, 1975, pp. 167-176.

10. H. Safari cited an example from the experience of his country, where U.S. and West German companies had for many years sought to persuade the ruling circles that a metallurgical industry would be unprofitable in Iran due to the absence of iron ore. Ore was discovered by Soviet geologists, and a large project — an iron and steel plant — was built with Soviet assistance. A similar policy, it was said at the seminar, was pursued toward India and many other developing countries.

viewpoints

Latin American Panorama

The Latin American peoples' mounting struggle against domestic and international reaction is playing an ever increasing role in the international anti-imperialist movement of our time. Here leading members of the fraternal parties in Brazil, Colombia, El Salvador and Peru describe the specific conditions and problems of the present stage of the struggle the progressive forces are waging in their countries for independence, democracy and social progress. An article by a Soviet journalist analyzes methods applied by the U.S. imperialists for ideological expansion in Latin America.

A DIFFICULT STAGE IN THE PROCESS OF CHANGE

Jorge del Prado
General Secretary, Peruvian Communist Party

Considerable progress has been made in the process of anti-imperialist and anti-oligarchic reform that began in Peru with the establishment of the armed forces government in October 1968.

Some 18 months ago, however, this process was impeded by the emergence of regressive trends that may set at risk the revolutionary gains achieved during the previous stage. Enterprises in the public sector created by nationalization of the country's basic resources are being reorganized into mixed capital undertakings with investment backing from the U.S., Japan and other imperialist countries. The important fishing industry, which was fully controlled by state organizations, is being parcelled out to private owners. Foreign companies have been allowed to exploit some oilfields, including those owned by the state. An all-out offensive is being mounted against the workers' basic rights. Constitutional guarantees were temporarily withdrawn and a state of emergency[1] introduced on the pretext of the need to stimulate production. Profiting by this, the employers instigated brutal repressions against the trade union movement. Strikes were banned and some trade union leaders arrested.

The main danger, as we see it, lies in the present government's

attempt to solve economic problems by encouraging private national and foreign investment, with the financial help of organizations controlled by U.S. imperialism. This is the aim of the June 1977 Emergency Program envisaging considerable devaluation, a sharp increase in the price of petrol and other fuels, and an eight per cent cut in state spending. The latter will reduce the capital available for carrying out some big projects of independent economic development, further erode the slim funds allotted to education, health, the development of agriculture, fisheries and other important industries, and restrict the scope of major state enterprises, such as Siderperu, Electroperu, Mineroperu and Pescaperu.

The Emergency Program envisages raising a new 250 million dollar international loan, which will be used to reduce the deficit in the balance of payments and pay off some of the interests on the current foreign debt of more than $5,000m., which is 40 per cent of the value of the country's annual exports. The measures mentioned above are designed to provide the backing for the loan required by the International Monetary Fund.

The government says that its aim in introducing these measures is twofold: to cushion the effects of the economic and financial crisis and readjust the structural changes carried out in the first seven years, that is, to guide social and economic development according to a new model, which in our view is a model for capitalist development with some elements of national reformism.

But the 'emergency measures' are not the only thing. The policy of capitalist development is spelled out in the government scheme known as the Tupac Amaru Plan,[2] which has replaced the Inca Plan.[3] This indicates a radical change in national policy and a government turn to the right. Not only does it put an end to the previous trend of non-capitalist development with a socialist perspective, it also abandons the consistent anti-imperialist and anti-oligarchic line that was characteristic of the revolutionary process in the first seven years.

As a result the social base of the armed forces government has changed. Even when the government maintained a clear-cut anti-imperialist posture, it would not allow the working class to play a leading role in the process of reform and was opposed to the formation of a united front of the progressive forces. Nevertheless the positive nature of the reforms that were carried through ensured it the support of workers, peasants, the masses as a whole and their political organizations, including our party.

Today's government measures are designed to win the support of the bourgeoisie and perhaps even some circles of the oligarchy. As might be expected, this distances it even further from the working class and the mass of the people.

All this indicates a qualitative change in the process.

But the situation is not so simple and the regression not so great as might first appear. Peru has not swung the full 180 degrees, as Chile and some other Latin American countries did. The present government cannot be described as ultra-right or fascist. It has a tendency toward bourgeois 'desarollismo.'[4] There is no sign that the government intends to wipe out the gains achieved; it is trying to use them as a basis for capitalist development. While angling for imperialist support, it still wants to maintain its independence. The government has no intention of returning to the latifundists the land that was taken from them under the agrarian reform — the most progressive measure of the first stage in the process. However, it is taking steps to replace the cooperatives that were formed at that time by medium or small capitalist agricultural enterprises.

Although the public sector has been modified, the government still retains control over most of the mineral and oil resources, their processing and sale, and also over the production of fish meal and oils. At the same time the role of the heavy industry in state hands boils down to satisfying the needs of the enterprises of the manufacturing industry belonging to the private sector. Similar changes have occurred in the labor communes[5] and the public-property sector,[6] which have today lost their anti-capitalist and pro-socialist orientation and been converted into a variety of 'people's capitalism.'

I repeat that this is not a swing toward fascism. In Peru the battle for independent development has had marked successes, despite the furious attacks of local reaction and imperialism, supported by the fascist regimes in neighboring countries. The contradictions between the government, on the one hand, and U.S. imperialism and its local allies, on the other, still exist.

During the first stage of the process our party supported the government, but it rejects the present regressive policy. We are fighting against its anti-popular measures, the concessions made to imperialism and its allies, and we support the progressive circles that are resisting the counter-revolutionary pressure. The government cannot afford to ignore the PCP's position. The Communist Party was the only left party whose opinion the government took into account during the consultations with all representative organizations and political parties concerning the draft of the Tupac Amaru Plan. This is because the PCP is the only revolutionary party that has organizations all over the country and enjoys growing influence in the working-class and popular movement.

It was the first meeting between the military government and our party since the process began, and its results were very positive. We frankly stated our attitude to the negative aspects of the government's

economic policy and the guidelines of the Tupac Amaru Plan. At the same time we expressed our approval of some aspects of the plan and made proposals on points where we disagreed. The meeting was widely publicized in the press and the people were able to see the deep rift between the constructive and principled position of the PCP and the positions of the bourgeois parties, whose sole aim was to regain political power as soon as possible. The meeting enhanced the party's political prestige as well as strengthening its legal status.

It should be stressed that despite the negative developments Peru remains in the front ranks of the resistance to imperialist domination and the fascist offensive on the continent.

To make a precise assessment of the present stage in the Peruvian process we must seek the reasons for the swing to the right, define the character of the government and analyze the political situation and propects.

In December 1976 the PCP Central Committee analyzed the situation and pointed out the objective and subjective factors that had influenced the course of events. The objective factor is the economic crisis. Despite the strengthening of national sovereignty, the country is still dependent on the world capitalist market. The export of raw materials, for example, is mainly in the hands of state organizations. But these materials come almost entirely on to a capitalist market, except for fish meal, which is also supplied to the socialist countries. The schemes for developing heavy industry, hydroelectric power and cultivating new lands are at best only just beginning to get under way. So the economic crisis arose in the context of the country's dependence on the world capitalist market and a precipitous fall in the prices of our exports. This has reduced the inflow of money from abroad, while we have to spend more on imports of oil, industrial goods and food that go up in price every day. This has resulted in a growing trade deficit, an unprecedented balance of payments gap, and an equally unprecedented foreign debt.

The armed forces government was being put to a severe test. Before the onset of the crisis the anti-imperialist and anti-oligarchic process developed without any special difficulties. Now the government was urgently confronted with the problem of finding a way out of the economic crisis. The further development not only of the national economy but of Peruvian society as a whole depended on what solution was found to this problem. The choice was between a revolutionary solution or one that would put the clock back.

The optimal revolutionary solution should have provided, above all, for an acceleration toward the goals of genuine national independence, but this would have entailed doing away with imperialist domination, making radical changes in the orientation of foreign

trade, establishing broad cooperation with the socialist countries on the basis of clearing accounts, and putting imports and the major sectors of internal trade under state control, thus excluding private firms and the multinationals, which will never agree to any new pattern of trade relations. It would also have entailed reorganizing and nationalizing the major industrial enterprises to ensure a better supply of goods produced in the country and a more economical use of state funds. Finally, it would have meant introducing a new system of taxation that would shift the burden to the high-income strata. In other words, the situation called for a series of measures that would have been in the interests of the masses and would have undermined the positions of the oligarchy, the big and middle bourgeoisie and the multinational companies, who own about 90 per cent of the enterprises in the manufacturing industries and trade. This would have deepened the process, strengthened its non-capitalist tendencies, and promoted development in the direction of socialism. It would have ensured the government the support of the working class and the whole people, who in their turn should have been guaranteed broad democratic rights.

The other solution was to take the capitalist path with the support of the International Monetary Fund. But since Peru's foreign debt was already huge the IMF would agree to step in only if economic and political measures were taken that motivated against national independence and the interests of the Peruvian people. The armed forces government, as we have shown, has chosen the second path.

We believe that this is due to the government's political and ideological immaturity, its lack of ideological unity. This is the subjective factor. From the very beginning the revolutionary consciousness of those who led the revolutionary process developed slowly. As difficulties have multiplied, this defect has become a rapidly progressing disease. It has its roots in the exclusively military character of the armed forces government, which is a notable feature of Peru's current development.

The movement of October 3, 1968, was led by a group of patriotically and revolutionary minded military people, who at that time held high positions in the army. Thanks to military discipline and the *esprit de corps* among the officers, these people were immediately able to take over the armed forces. Showing an increasing preference for anti-imperialist and anti-oligarchic positions, they began to fill the power vacuum created by the disintegration and surrender of the Belaunde government with their own supporters. As we pointed out in previous articles,[7] the evolution of the views of these military but essentially patriotic and populist leaders was influenced by their ori-

gins (many of them come from relatively poor families) and by the events of the 60s both at home and in the world at large.

On the international plane these included the consolidation of the Cuban revolution and the impressive victories of the Vietnamese people, which brought U.S. imperialism into unprecedented military and political discredit. There was also the growing prestige of the socialist system and the successes of the national-liberation struggle. On the national plane there was the growth of the anti-imperialism movement for the nationalization of oil and agrarian reform. But this moral advance was not accompanied by adequate theoretical and ideological training. More, it did not extend throughout the armed forces and their command.

Admittedly, as time went on a few of the members of the revolutionary government began to speak, in rather vague terms, about a socialist perspective, but in the armed forces as a whole, and particularly in the air force, reactionary and conservative attitudes were predominant.

The fact that the progressive elements in the armed forces had firmly committed themselves to serving national and popular interests was of prime strategic importance for the incipient revolutionary process. But the institutional character of the government gave rise to serious difficulties. The first problem was the impossibility of achieving ideological unity between the members of the government because they were appointed by the command of one of the armed services and not by the revolutionary leadership. The next point was that those who made the appointments to the most important governmental posts took into consideration not the candidate's political stand (which should have been revolutionary), but his service record. The revolutionary junta, which holds the key position in the government, comprises the President of the Republic and the commanders of the three armed services. To become a member of the junta, one must have top army rank and the longest service record in one's particular service. This means that national policy depends on whether a given progressive or reactionary military figure happens to be higher in the military hierarchy according to the service records. What is more, the institutional character of the armed forces government itself has resulted in underestimation of the significance of mass action, the role of the working class and other revolutionary minded elements among the working people, in the appearance of such erroneous conceptions as the idea that party activity is unnecessary and that an 'original' revolution can be carried out without taking into consideration the experience of the anti-imperialist revolutions and non-capitalist revolutionary processes in other countries. This conception, which ignores the objective laws of development, presupposes the possibility

of victory of a fundamental social revolution without changing the composition, structure or content of the old state apparatus. The agents of APRA[8] and the CIA operating within the government have been able to exploit this. By encouraging the love of power and bourgeois nationalism instilled in the Peruvian military by their professional training, and also their anti-communist prejudices, the 'political advisers' — Aprists, Trotskyists and Maoists — have invented the false theory of 'social democracy with full participation' aimed at discrediting real socialism along with the theory of 'non-party power,' which is calculated to isolate the government from the revolutionary and progressive popular forces.

The government's numerous mistakes in the ideological and political fields piled discredit on President Velasco Alvarado. Serious ill health undermined his physical and mental abilities and made him a prisoner of corrupt elements among his friends in the pro-APRA group known as La Mision. The subsequent mistakes and shortcomings of the government of President Morales Bermudez also prevented him from evolving a revolutionary alternative to the economic crisis, or at least one that would be less anti-popular than the present line.

Does this mean that the line taken by the Communist Party in the revolutionary process that began in 1968 was wrong in relation to the military government that initiated this process?

We are firmly convinced that our line was and still is correct. For one thing, despite our support of the government, we constantly pointed out its mistakes and contradictions and demanded active participation by the working class and the revolutionary and popular organizations in the anti-imperialist and anti-oligarchic activity of the government. We constantly called for the formation of a broad front of civil and military forces, and gave militant support to the transformations and structural reforms through trade union and popular actions.

The correctness of our line during the first stage is fully confirmed not only by the revolutionary and progressive changes that we supported and that helped to strengthen independence and social progress, altered the socio-economic and political face of our country and penetrated deep into the nation's consciousness. It is also confirmed by the dynamics of these changes, the consolidation of the old and new revolutionary progressive forces during the first seven years of this process. During this period the Peruvian working class has grown numerically, and become better organized and more anti-imperialist and class conscious. The government's Central Trade Union of Workers of the Peruvian Revolution and the Social-Christian National Confederation of Working People have come into being. The

positions of these major trade union organizations coincide with that of the long established General Confederation of Working People of Peru with regard to the two basic goals of the present time: defense and deepening of the revolutionary process and defense of the democratic freedoms, rights and gains of the working class. All these three organizations are fighting against the fascist threat, for the democratization of social, political and trade union life. A Coordinating Committee of Trade Union Organizations has been set up to organize joint action. Political life is inconceivable today without the participation of the working class.

In the past seven years new forces have started taking an active part in the struggle for national independence and social progress. The main force is the peasantry, which was previously scattered and disorganized and remote from political activity. Thanks to the agrarian reform it has been able to set up a powerful trade union organization — the National Agrarian Confederation — with organizations all over the country embracing the great majority of the peasantry. Its aims tally with those of the major trade union organizations, with which it has often taken joint action. This confederation is active in defense of social gains, and for the rights and true democratic freedoms of the working people.

Although the left military have quit the government, there are still patriotic and progressive trends in the armed forces. These trends played an important part in the first stage of the process and are ready to defend its gains and to fight the rightist trends and the fascist threat.

Something similar may be observed among the Catholic priests and religious people advocating national independence, which they see as progress and social justice. The organization and anti-imperialist consciousness of broad sections of the urban petty bourgeoisie have also grown.

All these forces are exerting considerable pressure on the present government. They may strengthen its progressive wing by helping the wavering elements to take a firmer stand. They may also pressure the government into starting a dialogue with the circles ready to defend and deepen the process.

In the sphere of foreign policy the patriotic forces of Peru attach great importance to trade, scientific and technological cooperation with the socialist countries. In the context of the present economic crisis and the blackmailing tactics adopted by the International Monetary Fund, the fact that 20 per cent of our exports go to the socialist countries indicates a strengthening of national sovereignty and the failure of the capitulators and deserters. All this makes it possible for us to move closer to the progressive circles of the government and the armed forces, thus strengthening their positions.

Two concrete facts confirm the correctness of this line: the above-mentioned dialogue between the President and the PCP leadership regarding the Tupac Amaru Plan, and the recent retirement under pressure from the PCP and the mass organizations of Walter Piassa, the Minister of Economy and Finance, who had introduced economic measures gravely infringing popular and national interests. This indicates that the line of the PCP is correct and that there are progressive and patriotic currents in the government itself.

1. Lifted August 1977. — *Ed.*
2. Socio-economic program of government action for 1977-80.
3. Anti-imperialist and anti-oligarchic program drawn up by progressive-minded officers before the coup of October 3, 1968, and carried out by the Velasco Alvarado government.
4. Desarrollismo — a policy aiming only at quantitative economic growth without structural changes.
5. Labor commune (comunidad laboral) — self-governing association of blue- and white-collar workers set up by government legislation at Peruvian enterprises to control the activities of their owners or the administration and to direct production.
6. Created by the decree of May 2, 1974. As distinct from the state sector, enterprises in this sector are set up only by working people and on their initiative. However, they are not the property of the people who work there. They belong to the sector as a whole, which is a category of national scale.
7. See *WMR*, January 1973 and August 1975.
8. It expresses the interests of the local oligarchy and U.S. imperialism. — *Ed.*

THE ONLY ALTERNATIVE TO FASCISM

Jose Soares
Alternate member of the EC, CC Brazilian Communist Party

Analysis of the reality in which the Brazilian people have been living for nearly 14 years indicates that national liberation cannot be achieved without fighting for a broad-based democracy that would pave the way for the full development of the initiative of the masses in support of the liberation struggle and for subsequent economic progress meeting the interests of the people and safeguarding national independence.

It also shows that reaction contrives to keep the country economically dependent only by means of the most brutal violence designed to check the struggle of the masses.

This is why the military dictatorship had to declare a state of emergency from the first. The purpose of this measure was to help form a dependent state-monopoly capitalism in Brazil, implement a plan for rapid economic growth, concentrate capital on an enormous scale, orientate production for export and bring in a wage freeze

under the pretext of combating inflation, along with schemes of aggression and expansion.

The day after the coup,[1] the military who had seized power trampled underfoot the banner of 'defending the Constitution, Congress and judicial authority' and launched brutal repression throughout the country. However, they met with popular resistance and were sharply divided by internal antagonisms which developed into a bitter power struggle. Before they could move on to fascism, they had to travel a long road, maneuvering, alternating attack with retreat, using both the Constitution and institutional, supplementary legislation. But strong resistance has so far prevented these forces from institutionalizing fascism. They have had to combine dictatorial rule with democratic make-believe. In 1967, for instance, before scrapping the 1946 Constitution approved by the Constituent Assembly, they were compelled to adopt a constitution guaranteeing certain rights. A similar thing happened in 1969, immediately after the adoption of Institutional Act No. 5, which took the place of the new Constitution. This act vested the dictator with absolute authority and nullified the role of Congress and judicial authority.

Equipped with as powerful an instrument as this, the regime managed in 1968-74 to impose economic development plans with an 11 per cent annual growth index. This was made possible by a world market exceptionally favorable to Brazil. The prices of traditional Brazilian exports stayed high, which provided great opportunities for trade. By making big concessions to monopolies, opportunities were created for the influx of credits and investments; besides, Brazil purchased large quantities of oil at moderate prices. But to achieve these results, the regime needed an appropriate domestic situation: ruthless exploitation of labor, a reduction of real wages through a sustained wage freeze, and production at an intensified rate. This was the price paid for rapid economic growth, advertised as the 'Brazilian economic miracle' and described by ex-President Nixon as a development model for the whole of Latin America.

The regime's economic and financial orientation toward rapid capitalist development on the basis of modern technology also necessitated a considerable expansion of the home market. But this required far-reaching structural changes whereas the purpose of the coup had been to head off pressing reforms of this nature. The government's technocrats were guided not by the national interests but by the interests of the big multinational monopolies, which insisted on production for export. In other words, an up-to-date industrial complex was set up in exchange for greater dependence on multinationals. And this meant that the 'model' could be expected to fail before very long.

The next dictator, General Ernesto Geisel, took over early in 1974. He brought with him many well-known technocrats, including the Minister of Planning of the former cabinet and his team of economic experts, who enjoyed the unqualified confidence of the International Monetary Fund. This explains why Geisel did not dissolve the Ministry of Planning but stayed on the beaten track, making some adjustments as he went along.

The new, second national development plan was an attempt to lead the new government out of the dead-end it found itself in due to the policy of its predecessors, who had given priority to the foreign market and the import of plant and raw materials. As there was a big foreign debt to pay, the new plan attached primary importance to expanding the home market and moving it into a leading position at the expense of the foreign market.

However, the regime's increased attention to the home market did not envisage social and economic measures likely to make the task feasible. These measures should have included, first of all, an end to the policy of wage freeze, and a radical agrarian reform abolishing the latifundia and all survivals of semi-feudal practices, including the minifundium system. If carried out, they would have restored to the nation the big landed property now in the hands of the major, mostly U.S. monopolies. The overall result would have been an irrevocable renunciation of the long-standing policy of encouraging the concentration of big landed property. This would have also dealt a crippling blow to a policy meeting the interests of big imperialist monopolies; it would have amounted to rejecting the aims pursued by the gorillas in power.

The inconsistency of the new plan was perfectly obvious. This pretentious plan had three main lines: replacing imports, expanding the home market to the dimensions of 'mass consumption,' and adopting an export policy as a complement to the expansion of the home market. The so-called policy of replacing imports, which also implied rejection of a substantial part of foreign investments and raw material imports, was at variance with the interests of big foreign monopoly groups.

In the end the dictatorship suffered a complete defeat which had very grave consequences for it. The defeat revealed the existence of a severe economic, financial and social crisis affecting every sphere of national life. Nor was it long before the crisis made itself felt in the political sphere. Popular discontent assumed such proportions that the general election in November 1974 resulted in the government's defeat, the worst since the dictatorship had come to power. The election showed the people's increased political maturity. Workers, students, intellectuals, the Catholic church, all the main forces of the

country, including many employers, voted for the candidates of the only authorized opposition party, the Brazilian Democratic Movement, which had begun to operate almost as a broad front opposed to the regime.

The dictatorship retaliated by a wave of terror that was the most brutal since 1964. The main blow was delivered against the Communist Party and its Central Committee. Nevertheless, the regime had to retreat and virtually admit its defeat. Late in 1975 it revised its financial and economic plan, for reality had forced it to make a volte-face. As a result of changes in the trend of economic and financial policy, the attention of economic experts switched to what was called a 'slow-down' of the economy providing for a less ambitious growth rate — about five per cent a year. These changes also led to the abandonment of a policy whose main object was to develop the home market. The problem of the foreign market became vitally important again.

As the government was expected to honor its commitment to pay the foreign debt, it again found itself constrained to solicit new credits. This led to a further increase in the debt, now close to $30,000m. One result of this policy is inflation, which stands at 50 per cent and tends to increase the cost of living. The working class reacted by putting even stronger pressure on the government. It demanded an adjustment of wages and compelled the government to relax its 'anti-inflation' policy and agree to a certain wage increase.

The miscarriage of the government's new measures aggravated the economic and social crisis. The growing signs of a political crisis resulted in still greater isolation of the dictatorship. In spite of a widespread repression and curbs on the opposition, the Brazilian Democratic Movement during the 1976 municipal elections defeated the government's candidates in almost all major industrial centers, primarily in three key states of the Union. Late in 1976, over a thousand intellectuals submitted to the government a statement protesting against universal censorship. Early 1977 saw the release of a document prepared by the National Conference of Bishops. The document analyzed the problem of the state and frankly condemned the fascist regime.

All this is a source of increasing alarm to the government, which has been trying to divide the opposition and prevail on Congress to approve reactionary measures aimed at staving off an even more crushing defeat in the elections set for 1978.

Referring to these maneuvers of the regime, the CC of the Brazilian Communist Party last March stated that the country was passing through a situation whose gravity should not be underestimated. In every walk of national life, the CC noted, the economic and social

policy imposed by the fascist regime was plainly suffering reverse after reverse. The dictatorship had begun to crack and was therefore becoming ever more unstable and vulnerable, as well as more threatening. There were numerous facts suggesting that more and more people mistrusted the regime's measures and its ability to curb inflation, check the growth of the foreign debt and the cost of living, and stop corruption and other negative phenomena worsening the living conditions of the overwhelming majority of Brazilians.

But while these facts are early signs of a weakening of the regime, they do not imply that the dictatorship is nearing its end. It is still strong enough to launch counter-attacks that can be very violent. 'The masses' growing discontent, the national opposition movement's slide toward fascism and the resultant shrinking of the political basis of the regime are creating a domestic situation that is evolving toward a political crisis . . . To resolve the crisis, the opposition forces must therefore pursue a firm joint policy in favor of what should be their goal, that is, the establishment of a democratic regime in Brazil.'[2] The state of emergency declared after 1964 has exacerbated all the contradictions stemming from the structural crisis.

Subsequent events proved this conclusion of the CC BCP correct. Faced with a Congress refusal to approve a series of reactionary measures directed against judicial authority and designed to limit the powers of Congress and change the character of the 1978 elections, the government early in April 1977 dissolved Congress and decreed — under Institutional Act No. 5 — a reform of judicial authority, indirect elections to the governor's office and the Senate (one-third of it), and other measures.

Early last May the enforcement of these measures gave rise to actions by workers and students and to a powerful campaign, which began with the university movement in Sao Paulo and swept the country. Major student actions took place in the streets of the biggest cities. Faculty members, intellectuals, journalists and lawyers backed the students' demands.

The desire for democracy and a legal state is now shared by an increasing body of public opinion. Students, faculty members, intellectuals, the Lawyers' Union, associations and federations of salary-earners and employers, the church and MPs from both parties have declared in no uncertain terms for constitutional order. Scientists, who have managed to hold their annual meeting in the face of great difficulties, likewise demand democracy and the establishment of a legal state. Even some military men have stated that 'the time for change has come.' The common objectives emerging in this drawing together of democratic forces are the repeal of Institutional Act No. 5

and all emergency laws, the restoration of democratic freedoms, the release of political prisoners and a general amnesty.

Brazil's communists are campaigning for the unity of all currents seeking the re-establishment of democracy. 'The crisis of the regime,' says the Communist Party in an appeal to the nation 'is taking place against the background of a growing convergence of opposition forces and more demands for a democratic alternative.'[3]

In the face of government maneuvers aimed at splitting the opposition in exchange for small concessions, the BCP insists that the crisis cannot be overcome by incorporating the Institutional Act in the Constitution or by amending the procedure of presidential elections. The only way to end it is for the opposition to pursue a firm and coordinated policy on a highly important issue common to them all, that of establishing democratic rule in Brazil. 'The solution we propose . . . is based on the fundamental desire of the vast majority of the nation for democracy,' says the BCP.[4]

1. In April 1964 the right-wing military, alarmed by a growing popular movement, staged a coup with imperialist support and overthrew the bourgeois democratic government under Joao Goulart. — *Ed.*
2. *Voz operaria,* April 1977.
3. *Ibid.*
4. *Ibid.*

COLOMBIA: MASS STRUGGLE ON THE UPSWING

Alvaro Mosquera
CC member, Communist Party of Colombia

The events of 1977 in Colombia may well be listed among the most important in Latin America, as they have obviously reflected the upswing of the mass struggle for economic and social demands and the substantial progress toward working-class unity of action. These developments, which culminated in the 24-hour general strike on September 14 involving millions of workers have demonstrated that the working class is the vanguard of the people.

The strike was called on the initiative of the Trade Union Confederation of the Working People of Colombia, which adheres to class positions and has the support of the public at large, of all labor union centers, including those which for years abstained from joint action on such a scale.

This militant strike was a success despite all government maneuvers to disrupt it, including intensification of the state of siege. A contributing factor was the political situation, which was unfavorable for the

government: the government could rely for support only on the most reactionary grouping of the ruling classes.

The upsurge of the mass struggle was set off by the policy the government had been pursuing much to the detriment of the working people and increasingly in favor of the oligarchy and imperialism. The Lopez Michelsen government obeys those who actually rule the country: ten financial groups, both Colombian and American, that own over 600 enterprises with a capital exceeding $6,000 million, and controlled by not more than 50 families.

This policy has resulted in devaluation, inflation, the rising cost of living (at an annual rate of 42 per cent) and almost one million unemployed. Real wages are falling, while the profits of domestic and foreign monopolies are sky-rocketing.

Furthermore, the government resorts to brutal reprisals to suppress working-class and student actions. It has launched combat operations in the vast areas of peasant revolutionary activity, and has introduced capital punishment without trial. At the same time, it makes high-sounding declarations pledging its commitment to human rights.

This policy is rapidly discrediting the regime. The strike movement is growing and mass actions of protest are assuming a new dimension. The general strike is a case in point.

The government retaliated with brutal repressions, killing 26 people, wounding hundreds and putting thousands behind bars. Among the heroes of this glorious battle of the proletariat and the people was Elda Jeanete Morales, a Colombian YCL member, who died in the capital during an armed attack on the participants in the mass movement.

In this situation the attitude of the Maoist groups was highly revealing. Their fierce opposition to the general strike was remarkably similar to the stand taken by the government and reaction. Only one of these groups — the so-called Independent Revolutionary Labor Movement — joined the strike at the very last moment. But its participation in the strike was more formal and opportunistic than practical. One of the trade unions in which the Maoists still enjoy some influence, denounced their attitude as the 'worst betrayal of the proletariat.'

The strike evoked a response in many countries. Expressions of solidarity came from the World Federation of Trade Unions, the International Confederation of Free Trade Unions, the French General Confederation of Labor, and other organizations. It brought to light the existence of a new political situation in the country and sharpened the contradictions among the ruling classes and among the political parties. It has shown that the regime is isolated and weak. Its most significant result is that it has consolidated the unity of organized

labor, which reflects a qualitative breakthrough in the struggle waged by the Colombian working class.

The general strike has demonstrated that there exists in Colombia broad-based forces which, led by the working class, are prepared to carry on the struggle and swing the country in a new direction. Now all depends on the extent of unity in action achieved by the proletariat and the popular movement, on the political consolidation of the democratic opposition, and on assimilation of the lessons of this militant mass action.

WHAT IS HAPPENING IN EL SALVADOR?

Victor Montes
Political Commission member, CC, Communist Party of El Salvador

In the following interview given to a *WMR* correspondent Comrade Montes describes the situation in his country and the struggle waged by its communists.

WMR. Since the presidential election last February, world attention has been drawn to events in El Salvador. How do the Salvador communists assess these developments?

Montes. The election was the most cynical and brazen farce in the country's history, and to assess the situation we must take into account the vast indignation that this mockery of the people's will aroused among the masses.

The government, its official party — the National Conciliation Party — and the para-military formation calling itself 'orden'* used every means available to deceive the masses. They barred hundreds of thousands from voting and stuffed the ballot boxes with forged ballots for the ruling party. Observers from the opposition were forcibly ejected from polling stations by the repressive organs and brutally beaten. Some were arrested, others disappeared without a trace. The electoral councils at department and municipality level were made up of supporters of the official policy, and the counting commissions were manned by the stooges of the ruling party. All this was done to ensure a 'victory' for General Carlos Humberto Romero, who is hated by the people.

This violent frustration of the Salvadorians' hopes for a solution of their problems on the basis of the constitutional principle of electing a government by equal and secret ballot sparked off an unprecedented

*Abbreviation from Organizacion democratica nacionalista. — *Ed.*

tide of indignation and protest throughout the country. People came out into the streets to demand respect for their legitimate rights. Strikes were called by workers at some factories, in transport and trade. Students paralyzed educational centers. The strikers were joined by farm laborers and peasants.

La Libertad Square in the heart of San Salvador was crowded for a whole week. The people were addressed by democratic opposition leaders, who called for a nationwide movement of protest. The crowd was brutally dispersed on February 28 with many casualties, some fatal. A great number of people were ruthlessly beaten by Guardsmen and the police. Many were seriously affected by the tear-gas bombs hurled into El Rosario Church, where over 4,000 persons sought refuge from government-sanctioned atrocities.

On the same day people thronged the streets of San Salvador to protest. These unarmed demonstrators were brutally attacked by the police and army units. Hundreds were killed or wounded in the course of this criminal act of the government.

The people's broad participation in the election campaign of the National Opposition Union and the heroism they displayed are evidence of major changes, which may be detailed as follows.

The political awareness of the Salvadorian masses has grown considerably. This has brought about a polarization of political forces with the right-wingers grouping around the ruling camarilla, at one pole, and the democratic and progressive forces led by the National Opposition Union, at the other. The people's organizations have gained considerable experience which they have been using in various forms of struggle. At the right moments these forms are combined. It is now obvious that voting alone is not enough to form a democratic government capable of bringing about the changes that are long overdue. The mass struggle must go over to a higher stage. The working class has realized that unless it fights for clear political goals it will not be able to overcome bourgeois influence and the split within its ranks.

These changes have brought political defeat to our adversaries, who have lost all popular support and discredited themselves internationally. On the other hand, the democratic organizations that make up the National Opposition Union won still greater prestige among the masses during these events.

The political defeat of the ruling classes in El Salvador signifies that the rule by the right-wing governments, which for more than 15 years have been pursuing a policy based on a combination of reformist and repressive methods, is coming to an end. The repressions grew especially harsh under the Molina government, which took power in 1972. During its rule the National University was closed twice; the au-

thorities exiled political and trade union leaders, resorted to the assassination of peasants, students, trade union activitists and Catholic priests, abrogated the autonomy of municipalities, turned the legislature into an obedient tool of the president and made a travesty of the election system.

WMR. What is the outlook for the country? What are the problems confronting the democratic forces of El Salvador?

Montes. Events have demonstrated a militancy among the masses unknown in recent years. But the democratic forces were not yet strong enough to overcome the enemy, who managed to rally all the right-wing forces. The government resorted to primitive anti-communism, alleging that the coalition of opposition parties and above all their presidential nominee, Colonel Ernesto Claramount, were the tools of the Communist Party in an 'international plot.'

The battle, however, is far from being over, despite the fact that the popular struggle is now at a low ebb after the events of Libertad Square, the deportation of Ernesto Claramount and wholesale murder in the center of San Salvador. The government has managed to control the situation. But its control is flimsy, since it is now faced not only with popular hatred but with the discontent of the military as well. General Romero therefore will find it pretty hard to retain his presidential post.

Though the democratic movement has suffered heavy losses, it has not been destroyed and is doing everything possible to achieve a broader and more effective unity of the democratic and anti-fascist forces, which have yet to overcome the division caused by the subversive activities of reaction.

WMR. What processes are going on in the armed forces of El Salvador? Could one speak of the emergence of a patriotic and democratic wing among the military?

Montes. The mass participation in the election had a positive effect in that it clarified the problems facing the country. The progressive patriotic current has begun to gain ground in the armed forces. Possessing considerable financial resources, the oligarchy and the government have been using them to bribe servicemen. Specially trained agents planted in army garrisons are keeping closer watch over the mood of the military. But sooner or later, the progressive trend will surely come to the fore. It can achieve success only provided it acts together with the people.

WMR. What alternative do the communists offer to the existing regime?

Montes. Over the past 11 years the popular movement has been gaining strength. In this period, the right-wing regime, imposed by the oligarchy and imperialism, has gradually grown weaker and become

more and more isolated. This has facilitated our broad propaganda campaign to explain to the masses the need for social and economic change to end dependence and backwardness. The need for agrarian reform has been put on the agenda and all political forces have had to speak out on this issue.

The democratic parties, such as the National Revolutionary movement, the Christian Democratic Party and the National Democratic Union, have become more united. It was these three parties that in 1971 set up the National Opposition Union, which twice contested the presidential elections and the elections to the municipal councils and the legislative assembly. The National Opposition Union has been largely instrumental in rallying the Salvador people and strengthening the alliance with other organized forces, including a group of the military who were dismissed from the army by the government and joined in the recent presidential election campaign, taking the side of the people in the struggle for democratization of social life.

The results of the last election have shown that legal methods of struggle have been largely exhausted and future elections will be of value only if the fascist-like regime is replaced by a democratic one.

The popular movement today has a dual task — to defend itself against repression on the one hand, and to do everything to prevent the fascist camarilla from consolidating its rule, on the other.

Political activity in El Salvador has entered a new stage. The democratic organizations are gathering strength to rout fascism. In our view, election struggle alone is not enough. Otherwise there may be a repetition of the mistakes made by other revolutionary movements in Latin America.

We want to achieve joint and well coordinated action by both civilian and military forces, by the working class, the peasantry, intellectuals, men of arts and literature, and the students. But we should always be aware of the danger to the revolutionary movement coming from the rightists' maneuvers to impose passive capitulation on the movement. Nor should we forget the attempts made by the leftists, which may push the movement into adventuristic actions. Such actions can only harm the revolutionary forces and, in the long run, result in the country's going fascist. The goal of the struggle waged by the Communist Party of El Salvador is to block such developments, to arouse the popular masses for a struggle to democratize the country, for its national and social liberation. The communists will spare no effort to attain this goal.

THE CROOKED MIRROR TECHNIQUE

Karen Khachaturov
Vice-Chairman, APN Board, USSR

The historical turn from cold war to détente and affirmation of the principles of peaceful coexistence between countries with differing social systems, a result of the objective shift in the balance of world forces in favor of peace, progress and socialism, is exerting a tremendous leverage in all spheres of life and on the minds of millions across the world.

Today, when socialism has become the most powerful force of historical development, a supercharger of social progress, the world scene is shaped by the contest between 'two methods, two political and economic systems — the communist and the capitalist' (V.I. Lenin, *Coll. Works,* Vol. 31, p. 456).

Détente provides far greater opportunities for the mass of the people of all continents to learn about the ideas of scientific communism, and for telling them the truth about the achievements of world socialism and the advantages of the socialist way of life. But an opposite process is also at work. Imperialism is stepping up its efforts to discredit communist ideas, the practice of socialist and communist construction in the Soviet Union and other countries of the socialist community, and to confuse the mass consciousness. The tactics of international reaction's ideological subversion are becoming increasingly sophisticated and flexible.

Imperialism's chief means of influencing the masses continue to be misinformation, lies and slander. Lenin referred to this not long before the October Revolution, when he wrote, 'A popular method always used by the bourgeois press in every country with unerring effect is to lie, scream, raise a hullabaloo and keep on reiterating lies on the off-chance that "something may stick" . . .

'It is the capitalists and the capitalist press who are making a great noise, who are trying to *shout down* the truth, to prevent it from being heard, to drown it in a torrent of invective and shouts, to *prevent* an earnest *elucidation* of the facts' (Vol. 24, p. 118).

Such practices are exemplified in the Latin American countries, which for decades have had to suffer not only the economic and political, but also the totally unrestrained ideological expansion of U.S. imperialism.

Traditionally Latin America has been a kind of experimental laboratory for evolving the forms, methods and devices that U.S. propaganda can and does use in developing countries. Ever since the victory of the Cuban revolution and the creation of a qualitatively

new situation on the continent U.S. imperialism has been stepping up its propaganda south of its borders, giving its propaganda machine important targets in its strategic plans for Latin America. The development of the anti-imperialist, democratic and revolutionary struggle and the broadening of its social base have restricted the United States' ability to use with impunity the traditional 'big stick' and 'gun-boat diplomacy' methods. At the same time the unchanged goals of imperialism in this region prompt the U.S. ruling circles to build up their propaganda arsenal and reinforce it with the finer tricks of psychological warfare, which are extensively used by the monopolies, diplomatic, military and intelligence-and-subversion agencies.

The bourgeois press, particularly the big dailies, provides the most influential means of shaping public opinion. In Latin America it is monopolized by powerful finance capital connected with the United States. The most financially powerful and politically influential large-circulation newspapers follow the standards of imperialist propaganda and reflect its message. Attention is focused on subjects that will divert readers from the basic problems that face their own country and the world.

Along with the daily press an important element in imperialism's propaganda machine is furnished by such U.S.-backed 'commercial' publications as the Spanish-language variant of the *Reader's Digest* and the numerous illustrateds produced by the Latin American countries themselves. All these publications are geared to integrating the reader with the existing system, to neutralizing any sense of protest and cultivating the extreme individualism that is typical of capitalist society. The main technique for this kind of social disorientation is to make readers identify with imperialism's stock propaganda images. This technique was defined long ago by Marx and Engels, when they wrote that the ruling class 'is compelled . . . to represent its interest as the common interest of all the members of society, that is, expressed in ideal form: it has to give its ideas the form of universality, and represent them as the only rational, universally valid ones.' In the same way imperialist propaganda seeks to give its audience an illusory sense of being identified with the ideas in question, which are presented as the 'only rational, universally valid' ideas.

Radio and television play an ever increasing role in the moulding of public opinion in Latin America. For a large part of the population radio is the most accessible, regular and, in some cases, the only source of information. Imperialist propaganda comes over the air on a multitude of wavelengths. First, there are the Voice of America broadcasts. Soon after taking office, President Carter submitted a report to Congress on overseas broadcasting. In it he put some Latin

American countries on what he described as the limited group of countries wholly accessible to U.S. radio propaganda. Second, there is the U.S. Information Agency,* which sends its Latin American subsidiaries taped radio programs for local transmission. And finally, there are the commercial radio stations of the Latin American countries, which provide the biggest propaganda outlet.

Imperialism's propaganda services regard television as the most promising means of influencing Latin American opinion. It has lately been growing faster than any of the other media. The number of TV sets in Latin America jumped from 2.5 million in 1960 to 18.5 million in 1975. Counting four viewers per set, that means at least a quarter or even a third of the population of Latin America now have access to television.

Television depends more than any of the other media on the United States, which tapes 80 per cent of all the telecasts used in Latin America. The policy of U.S. imperialism in this field is to control what appears on the screen by controlling the latest technical means of delivering it — satellites, cable television, and so on. The Latin American countries have joined the COMSAT and INTELSAT pools that relay programs from the United States, and the controlling interest in these pools is owned by American monopolies such as American Telephone and Telegraph, International Telephone and Telegraph and General Electric. Far-reaching imperialist plans include the organization of a controlled and unified television system for the continent based on satellites.

Advertising provides the main stimulus of television's development. In Latin America the bulk of the money spent on advertising is swallowed up by the relatively few big capitalist newspapers and radio and television companies, and 80 per cent of all the advertisements are placed by the monopolies, particularly those of the United States. Through the power that this gives them the U.S. monopolies are able to exercise a hidden but strict censorship and political control of the press, radio and television, to close down 'undesirable' sources of information and thus tighten their hold over the process of formation of public opinion in Latin America.

The U.S. news agencies are traditional purveyors of U.S. ideology. Nowhere else in the world are they so influential as in Latin America. They hold monopoly positions both in feeding the Latin American media with information and in providing the rest of the capitalist world with information about Latin American events. Most of the

*In October 1977 President Carter put before Congress a Bill on reorganization of U.S. overseas information agencies. It is proposed to set up a new government department that will merge the USIA and the State Department Bureau of Educational and Cultural Affairs.

foreign news in the big newspapers of Latin America comes from the United Press International (UPI) and the Associated Press (AP).

Imperialist ideologues claim that the output of the U.S. news agencies is purely informative without any class or party bias. But under the apparent indifference to politics there is a strong urge to shape the Latin American media to the purposes of U.S. imperialism.

The UPI and AP bias comes out in their selection and interpretation of facts. The result is that in their international coverage the big papers of Latin America concentrate on events in the United States. It has been estimated that the Latin American press devotes 25 times more space to information about the United States than the U.S. press does to information about Latin America. The U.S. news agencies give a distorted picture of events abroad, particularly in the socialist countries. And a special blanket of silence is cast over any facts showing the development in Latin America of the class, anti-imperialist struggle, or the terrorist actions of the reactionary ruling circles against the communist parties and other progressive organizations.

The most subversive activity is carried on by the U.S. Information Agency, which tries to mould public opinion through the local media where it has a foothold and also directly, through its own propaganda weapons: the publication in Latin America of magazines, books, and pamphlets, organization of radio programs, hiring out of television features and cinema documentaries, and the setting up of 'cultural centers' and libraries. Latin America is one of the USIA's main targets. It is blessed with three-quarters of the USIA so-called 'two-country centers,' where much of the propaganda is carried on by local people. The USIA's numerous posts and branches, shielded by the diplomatic status of information departments of embassies and consulates, operate as centers of ideological subversion.

The U.S. Information Agency cooperates with the CIA in its subversive activity. As the *Washington Post* has admitted, at least 29 per cent of the CIA's covert operations for a number of years now have been conducted in the sphere of the mass information and propaganda media. The most striking case was in Chile. While the Popular Unity government was in power, the CIA paid the newspaper *El Mercurio* alone $1.6 million. According to the *New York Times,* not less than half the funds allotted for secret operations in Chile went on direct support of politicians, newspapers, radio stations and television companies. An even thicker blanket of secrecy covers the activities of the CIA in Chile after the fascist coup. The report of the U.S. Senate Committee on CIA activity, which reveals only the tip of the iceberg, stated that in Santiago the CIA gained access to certain media to ensure popular support for the government. The information agencies

tried to present the junta in the best possible light. In addition, CIA agents helped the junta to prepare a White Book on the change of government in Chile, intended to 'justify' the overthrow of the Allende government.

The traditional line taken by imperialist propaganda in Latin America is to boost the United States political system, which is portrayed as the 'finest thing' the capitalist world ever produced and a 'measuring stick of true democracy.' Imperialist propagandists show particular inventiveness in publicizing the political institutions of the USA and American 'democracy' in general, everything that is summed up in that well-known phrase 'the American way of life.'

In Latin America their efforts reached a new peak during the celebrations of the bicentenary of the United States. In this period the history of relations between the USA and Latin America was falsified as never before. Pan-americanism was fanfared as a unifying stream for the national interests and ideals of both the United States and Latin America. Frantic attempts were made to produce proof of the 'civilizing mission' of the USA in the Western hemisphere and the 'historic traditions of friendship' between the United States and the peoples of Latin America.

The main ideological and political weapon of U.S. imperialism in Latin America, as everywhere else in the world, is anti-communism. The Latin American countries are treated to one of the crudest 'caveman' varieties. Its advocates call for the forcible 'eradication of communism,' for tough measures against socialist Cuba. They justify the terror and violence used against the anti-imperialist, revolutionary and general democratic movements. Blatant twisting of facts and slander are one of the main methods. Lenin noted that '. . . nowhere in the world have bourgeois influences on the workers ever taken the form of ideological influences alone. When the bourgeoisie's ideological influence on the workers declines, is undermined or weakened, the bourgeoisie *everywhere and always* resorts to the most outrageous lies and slander' (Vol. 20, p. 485). 'Caveman' and 'terrorist' anti-communism are readily available from the mass media controlled by imperialism.

The imperialist propagandists and Latin American reactionaries lean over backwards to implant anti-Sovietism. The time-worn but lately much revived tale of the 'Soviet threat' pursues quite specific goals that run counter to the national interests of the Latin American countries and fit in well with imperialism's aggressive intentions. Its main objective is to switch public attention away from the struggle against the real aggressive policy of imperialism to combating an entirely mythical 'Soviet danger.' The whipping up of spy mania and slander about 'Red subterfuges' is used by imperialism to sweep away

some of the dirt left by its intelligence agencies, particularly the CIA, in Latin America.

Imperialist propaganda tries to sow distrust of Soviet foreign policy and to suggest that peaceful coexistence has advantages only for the Soviet Union. It lays stress on the 'instability' and 'temporary nature' of détente, which the USSR could allegedly convert into cold war at any moment. The Soviet Union's principled stand on the peaceful coexistence of states with different social systems is counterposed to its uncompromising refusal to apply the principle of peaceful coexistence to the sphere of ideology, to the class and liberation struggle.

When the realistic policy of the USSR and Soviet life itself refute the stock arguments of imperialist propaganda, the imperialists try to adjust to the swing in public opinion with a change of tactics calculated to falsify the basic principles of the Soviet political, state and social systems and the experience of building socialism and the practice of communist construction in the USSR. Imperialist propaganda is even willing to recognize some of the Soviet Union's achievements, but only for the purpose of drawing anti-Soviet conclusions from them.

Anti-Soviet propaganda used to stress the 'hardships' of the Soviet people. Now it has begun to talk about the Soviet people's 'forgetting' their revolutionary ideals and the Soviet Union's 'degeneration' into a 'consumer society.' Imperialist propagandists do all they can to spread fabrications about the suppression of democracy and freedom of the individual in the Soviet Union. The Zionist and Maoist propaganda services play an active part in working up this slander, which is also peddled in countries with pro-fascist regimes.

The increasing ideological weakness of imperialism's apologists, their inability to produce any positive programs or slogans that would attract a wide audience is forcing them to shift the emphasis from content to form. Imperialism is trying to fill the idea gap simply by tuning up the propaganda machine and giving it more horsepower. As imperialist propaganda runs deeper into crisis in Latin America it tries to compensate for intellectual bankruptcy by 'hard-sell' methods.

One of the fine traditions of progressive thought and the democratic press in the Latin American countries is the vivid style in which they expose the harm done by ideological expansion, particularly that of North America. The initiators of this tradition were the leaders of the national-liberation movement against colonial oppression. The work of the most prominent Latin American journalists of the past is anti-imperialist, anti-oligarchic and anti-clerical. It is vigorous in its free-thinking, and displays close ties with the peoples' struggle against exploitation, tyranny and foreign oppression.

The legitimate heirs to these traditions are above all the communist

parties of the Latin American countries. The communist press in Argentina, Colombia, Costa Rica, Ecuador, Mexico, Peru and Venezuela has become an influential factor in forming public opinion. In the Latin American countries, where the Marxist-Leninist parties have to work underground, even the worst repressions cannot stifle the voice of the communist press. 'Despite the rabid terror that threatens even the lives of readers its militant publications are printed and circulated in Brazil, Uruguay, Chile, Guatemala and elsewhere.

The communist press of the Latin American countries honorably fulfills the role of being 'part of an enormous pair of smith's bellows that would fan every spark of the class struggle and of popular indignation into a general conflagration' *(Coll. Works,* Vol. 5, p. 508), the role that Lenin assigned to the newspaper *Iskra* (the Spark) at the beginning of this century. The communist press has won great prestige by its refusal to compromise in the struggle against imperialism and reaction, by its journalistic honesty, its concern for the good of the working people, its spreading of the ideas of democracy and social progress. It is keeping its readers informed about the life of the peoples of the socialist countries and the achievements of the Soviet people.

Along with the communist parties' publications, other progressive periodicals are loosening the hold of the pro-imperialist mass media over public opinion. These include some influential liberal newspapers and journals. Some measures taken by the governments of Latin American countries in the ideological sphere tend to restrict the most corrupting influences of imperialist propaganda. The inter-governmental conference on questions of policy toward the mass media of Latin America and the Caribbean, held on UNESCO initiative in San Jose (Costa Rica) in 1976, sharply criticized U.S. ideological expansion on the continent. The decision passed by the conference to set up a Latin American information agency coincided with the creation of the information pool of the non-aligned countries and reflected the general positions of the Third World over the question of 'decolonizing information.'

The activities of the information organs of the socialist countries, the international democratic public organizations and their press help to expose imperialist propaganda. In the CC Report to the 25th Congress of the CPSU Leonid Brezhnev noted, 'The positive changes in world affairs, détente create favorable opportunities for spreading socialist ideas. But, on the other hand, the ideological contest between the two systems is becoming ever more acute, and imperialist propaganda ever more refined.

'There is no room for neutralism or compromise in the struggle between the two ideologies. Here there is need for constant political

vigilance, active, efficient and convincing propaganda, and timely rebuffs to enemy ideological subversion.' The actual nature of the world communist movement and socialist society, the all-conquering power of Marxist-Leninist ideas and the effectiveness of the peaceful and fair-minded foreign policy of the socialist countries are the guarantee that this task can be accomplished.

Forum of socialist democracy in Rumania

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Chairman of the Central Council,
General Trade Union
Confederation of Rumania

The Rumanian Communist Party, headed by Nicolae Ceausescu, has always given a lot of attention to extending and perfecting workers' democracy, the whole system of socialist democracy in Rumania. This is a dynamic and innovating process to the conditions prevailing at each stage in the country's life. The results are apparent in every sphere of political and socio-economic activity.

New democratic bodies whose function is to ensure direct and increasing participation by the working people in the complex and important matter of organizing and managing this activity were set up by decision of the Ninth, Tenth and 11th congresses of the RCP. In particular, the system of management in factories, the industrial *centralas** and ministries, in fact, throughout the national economy, was strengthened some years ago by establishing collective management bodies known as Working People's Councils. The results achieved have borne out the advisability of the measure.

In factories, industrial *centralas* and economic and other organizations, these councils consist of workers, foremen, engineers and other specialists, and representatives of the party organization, the trade union and the Young Communist League. A council includes the secretary of the party organization, the secretary of the youth organization, the chairman of the trade union, as well as the director of the enterprise and the heads of some departments and services, who are

*Industrial *centralas* (central bodies) coordinate the operation of related industrial enterprises.

appointed by higher bodies. General meetings elect a definite number of workers, foremen and technicians to the council in charge of the enterprise concerned as representatives of the working people. The fact that council members are specialists and members of party and trade union organizations, as well as experienced workers ensures the fusion of technical, economic and socio-political thought and helps to create a general picture of the work of the given factory or industrial *centrala*.

These councils hold an exceptionally important place in the mechanism of our socialist democracy. They are vested with administrative functions and high responsibility. They have been entrusted with such important tasks as boosting production, distributing and utilizing public wealth, strengthening the basis of socialist property and improving the living and working conditions of all working people. They are supplied with accurate current information about every aspect of the work of factories and *centralas;* on this basis they draw up development, production and financial plans and budgets and decide on the steps to be taken to implement them. Council decisions are binding. Virtually every aspect of the work of a factory or industrial *centrala* — including work in the social sphere — comes within the jurisdiction of the Working People's Councils. This makes it certain that their decisions will be carried out by the joint efforts of all workers, technicians, engineers and economists.

The councils were formed not only to draw the most competent workers who show initiative and a sense of responsibility into direct participation in the management but also to use the knowledge and energy of the entire work collective. This is all the more necessary because factories and *centralas* now have greater rights in organizing and managing their work and in fulfilling state plan assignments. They have also been given greater autonomy and a larger share of responsibility for the utilization of material and financial resources. The involvement of 156,000 council members in careful analysis plus free and frank exchanges of views makes for optimal decisions.

The general meeting of working people is the highest form of collective management. Through it the work collective participates directly in discussing and approving production plans and measures to raise economic efficiency, speed scientific and technological progress and achieve proper order and labor discipline so that plan assignments may be carried out with the maximum success. Moreover, the general meeting sees to it that provisions for material incentives are correctly applied, and checks on measures to improve the skills of workers and their living and working conditions. It elects representatives of the working people to the councils, and one of its most important functions is to analyze and orientate the work of these

collective management bodies. Twice a year the general meeting hears a council report and assesses its work. The law empowers and binds the general meeting to approve or recall the council, elect its members or request a higher body to relieve persons appointed to councils of their duties.

A clear idea of the extent to which the masses participate in the management of factories and other enterprises may be gained, for instance, from the fact that the general meetings held in July and August 1977 were attended by nearly four million people, the floor was taken by 150,000 workers, technicians, foremen, engineers, economists and other specialists, and some 175,000 motions were tabled.

The formation of these collective bodies met an objective need for more efficient national economic management. In strengthening collective leadership, our party holds that leadership on this principle makes it possible to solve economic problems more thoroughly and comprehensively, eliminate arbitrariness in decision-making and use the experience of specialists, highly competent workers, and the whole work force.

In pursuing its policy of promoting and perfecting socialist democracy, our party has organized a nationwide discussion of the people's tasks in various spheres. In 1976-77 there were a congress on political education and socialist culture (more than 6,000 participants), a congress of district people's councils and chairmen of municipal councils and town and communal people's councils, a congress of the leading councils of socialist agricultural organizations, of the entire peasantry (nearly 11,000 participants), and a conference of working people's control teams.

A particularly important event was the Congress of Working People's Councils in Industry, Construction and Transport, attended by more than 10,000 delegates. It was held by decision of the Political Executive Committee of the CC RCP on the initiative of Nicolae Ceausescu. In view of the exceptional importance of the problems discussed at the congress and the decisions adopted by it, our working class may be said to have again demonstrated its leading role in society and shown revolutionary political strength assuring the country's steady social and economic progress.

The congress was preceded by general meetings in factories, which encompassed virtually the entire working class. They discussed the main economic development tasks at this stage and ways and means of perfecting workers' self-management in our society. The congress, a genuine forum of the working class, was the culmination of this discussion. It lasted three days, during which there were plenary sittings and meetings of 11 problem sections. A total of 1,284 persons

asked to speak in the debate and more than 680 spoke. Those who could not be given the floor for lack of time submitted their suggestions in writing. The congress took stock of progress in fulfilling the decisions of the 11th Party Congress and expressed the determination of all working people to spare no effort in scaling new heights of civilization and progress and steadily implementing the foreign and domestic policy of our party and government, a policy in harmony with the vital interests of the entire nation. Numerous suggestions were submitted to the congress on ways and means of improving production, raising labor productivity and the quality of output, increasing economic efficiency and improving the working and living conditions of the workers.

The congress was an outstanding political event in the life of our country. It demonstrated the strength of the Rumanian working class and its ability to shape the destiny of our socialist nation. The fact that the congress was held in the year when our people marked the centenary of their state independence and of the formation of the first workers' and socialist groups highlights the enormous progress made by the working class from its early steps to the present day, when as the leading class of society it ensures our socialist nation's advance along the road of socialism and communism.

The report delivered by Nicolae Ceausescu was approved unanimously and with deep satisfaction as a splendid analysis of the role of the working class in the revolutionary transformation of Rumanian society, of the progress made in industry, construction and transport, and also of the working people's tasks in these key sectors of the economy in the current five-year period and in the long term. Moreover, the party's decision to institutionalize the Congress of Working People's Councils as the highest managerial forum of industry, construction and transport was spoken of highly as being of exceptional significance to our democratic system. It was decided to convene the congress regularly, every five years. A National Working People's Council was set up as a standing management and supervisory body responsible for the fulfillment of congress decisions. It will periodically consider annual production plans and measures for their fulfillment.

Expressing the will and aspirations of millions of working people, the congress elected Nicolae Ceausescu Chairman of the National Working People's Council. This was further evidence of our nation's confidence in the party and its General Secretary and a sure guarantee that the National Council will honorably fulfill its lofty mission by consistently asserting the role of the working class in directing the economy and by promoting working-class democracy and steadfastly fulfilling the party program of building a comprehensively developed

socialist society and ensuring Rumania's advance toward communism.

In his report to the congress, Nicolae Ceausescu gave a vivid picture of the achievements of the working class and of our entire people in industrializing the country, particularly since the Ninth Congress of the RCP. He stressed that the policy of socialist industrialization is dynamic, realistic and effective, and is the only way to end economic backwardness, make full use of the nation's riches, raise the people's living standard and strengthen national independence. We owe it to this policy that gross industrial output is now 34 times greater than in 1938. Whereas the world economic growth rate averaged 6.1 per cent a year in 1953-75, Rumania's industrial output rose at a rate of 12.2 per cent, one of the world's highest.

'The 1976-80 five-year plan, a component of the party program adopted by the 11th Congress,' Nicolae Ceausescu said, 'is of special importance in the building of a comprehensively developed socialist society in our country. Its targets offer the prospect of a powerful upswing of the productive forces, of still more rapid scientific and cultural progress, further important changes in the country's social structure, in the work of perfecting social relations and raising the people's living standard to a higher level.'* The Rumanian people are well aware of the importance of carrying out the current five-year plan with the greatest measure of success and they are working with dedication, making noteworthy gains day after day, which are also seen in growing output. In 1976 the industrial development rate was 11.5 per cent, with the result that the output plan was surpassed by almost 12,000m. lei. In agriculture the harvest was the largest in the country's history. Foreign trade showed a growth rate of 14.5 per cent and a favorable balance. The social product increased by 10 per cent and the national income by 10.5 per cent. On this basis, the population's real incomes rose by 9.5 per cent.

In 1977 plan assignments are being successfully fulfilled despite the economic damage caused by the catastrophic earthquake of March 4. During the first seven months, industrial output increased by more than 11 per cent compared with the same period last year, and output over and above plan amounted to nearly 11,000m. lei. More than 250 large industrial units were put in operation. Factories received new equipment, and production technology was improved. Foreign trade went up by more than 17 per cent.

With due regard to the progress made and to the need for more rational use of economic resources, the Political Executive Committee of the CC RCP last year decided on a wide range of measures to

**Congresul consiliilor oamenilor muncii din industrie, constructii si transporturi.* July 11-13, 1977. Editura politica, Bucharest, 1977, pp. 21-22.

speed industrialization. In the current five-year period this should yield an output well in excess of plan assignments.

In accordance with the people's mandate, the Congress of Working People's Councils unanimously adopted a program for an additional increase in output ranging in value between 120,000 and 130,000m. lei, or between 20,000 and 30,000m. lei above the target submitted to the congress. This decision mirrors the constructive approach of our working class, which in the 30 years since the basic means of production were nationalized has been making rational use of the nation's wealth, increasing the productive forces for the good of the people and thereby carrying out the party program task of bringing Rumania closer to the level of economically advanced countries.

Attainment of these impressive targets unquestionably requires concerted effort by the working people and the entire nation to improve work in all branches and sectors of industry, in all economic areas, and steadfast application of the latest scientific and technological achievements in every sphere of material production. Nicolae Ceausescu noted that emphasis should be laid on the quality and efficiency. Every effort must be made to raise the technical standard and quality of goods, modernize them and master the manufacture of new products. Higher productivity is the main factor in advancing our society. During the current five-year period we have to secure a productivity rise of over 55 per cent in order to obtain an output increment of more than 80 per cent. The congress decided on measures to promote mechanization and automation, improve the organization of work and production, ensure strict adherence to technological discipline and raise skills. The relevant resolution calls for special attention to reducing costs.

The radical changes in the composition of the work force that are to take place during the current five-year period call for improvements in the entire system of training. By decision of the CC RCP, general and specialized secondary and higher education is being closely coordinated with production requirements. Young people are trained with due regard to the needs of the economy and society. Cooperation between schools and industry helps to enrich studies, to raise education to the level of the latest achievements of science and technology and improve the organization of apprenticeship for pupils and students and the entire program of training and advanced training on the job. The question of vocational training and of making better use of labor power at factories received close attention at the congress. This will be appreciated if it is borne in mind that in 1980 roughly 47 per cent of the able-bodied population will be employed in industry and construction compared with 39 per cent in 1975. The training of

personnel, their ability to operate new machinery and develop new techniques are of paramount importance to economic efficiency.

The achievements of the working class and our entire people in fulfilling and overfulfilling economic tasks have allowed the RCP to launch a program for a significant rise in the people's material and cultural standards. This growth will surpass the target set in the five-year plan. Provision has been made for a more judicious correlation between direct incomes and the social consumption funds and for a wage increase of more than 30 per cent against the 18-20 per cent initially envisaged for the five-year period. Remuneration is to be increased in two stages. This year we have also started on a new rise of pensions and family allowances. Characteristically, housing construction and urban and rural development are assuming a large scale under the current five-year plan. The population is to receive 190,000 more flats than was planned. Altogether over a million flats are to be built during the current five-year period; 513,000 flats were built in 1971-75.

The program for promoting the living standard during the current five-year period mirrors the dynamic character of our economy and bears out the correctness of our party's policy, which regards powerful development of the productive forces as a decisive factor for all-round, harmonious social progress. It shows that the building of socialism and communism in Rumania is determined by the interests of the people. The people and their material and spiritual requirements are central to our plans.

Taking into account the profound changes effected in production and social relations, in the structure of Rumanian society and in the make-up of social classes, the Congress of Working People's Councils stressed the socio-political growing role of the working class. Compared with 1939, the numerical strength of the working class has grown nearly fivefold. Its professional, educational and cultural standards have improved considerably. It is engaged in the most advanced sectors of the economy and is the principal producer of material goods, which makes it the decisive factor in material and social progress and the leading class of our society. As life calls for changes in some functions of the state at this stage of Rumania's development, Nicolae Ceausescu noted, certain tasks and powers are passing to the working class and other working people. This makes it imperative to extend the people's participation in the management of the economy and public affairs generally, to further improve workers' self-management.

In the eight years that they have been functioning, the Working People's Councils have proved to be highly effective in the managing of factories and offices. With a keen sense of responsibility, they have

examined and resolved production problems and development and financial plans, and ensured better utilization of production capacities, higher economic efficiency and strict observance of state laws.

On the strength of this experience, the congress decided on steps to improve the functioning of the councils and the general meetings of working people. The general meetings held after the congress considered ways and means of fulfilling production plans and carrying out planned socio-cultural measures. A significant point was their increased sense of responsibility as collective management bodies. They heard the half-yearly reports of the Working People's Councils, decided on steps to improve work in all sectors and scrutinized the composition of the councils.

The working class's increasingly successful fulfillment of its role and greater efficiency on the part of the Working People's Councils and the general meetings depend on how their work is guided by party committees and organizations and how actively the communists of each enterprise take part in this work. Mass organizations, particularly the trade unions, also have an important role to play. It is their duty to ensure that the creative initiative of the masses is utilized, encourage people to take a committed approach to their work, strengthen order and discipline, and inculcate a higher sense of responsibility for the fulfillment of production tasks. The trade unions must help more in improving work in the production sphere, solving social problems, observing labor legislation and bettering working and living conditions in accordance with the general line of our party and government. It is a direct function of the trade unions to apply working people's control, to make it a reality.

Proceeding in this spirit and in accordance with their functions, the trade unions have actively participated in conducting general meetings of working people in enterprises and industrial *centralas*. District conferences that elected representatives to the National Working People's Council were held recently.

We have set ourselves far-reaching tasks. We have all the conditions and resources we need to carry them out. Our heroic working class, all who are engaged in industry, construction, transport and other economic fields, respond with determination and enthusiasm, irrespective of nationality, to the call of the Congress of Working People's Councils by pledging to do their utmost to put the recommendations of General Secretary Nicolae Ceausescu into effect and fulfill the historic decisions of the 11th Congress of the RCP on building a comprehensively developed socialist society in Rumania and advancing to communism.

The new in the Philippines' orientation

Jose Lava
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During the five years of rule by the present government major shifts have taken place in the Philippines' policy. It is still too early to describe the new orientation as left or progressive. Nevertheless, in assessing the past period in the general context of Philippine history, we have every reason to state that impressive headway has been made: the new regime has abandoned the course of following in the wake of U.S. policies and is bringing the Philippines closer to the developing countries and the non-aligned movement; it has established diplomatic relations with the socialist world and launched economic, social and political reforms.

Since martial law replaced bourgeois parliamentary rule in 1972, the state power structure, which used to be dominated by the feudal landlords and compradors, has been changing in favor of the reformist national bourgeoisie, which now holds the balance between pro- and anti-imperialist forces. The present ruling power bloc is composed of landowners, turned capitalist, who have accepted the need of agrarian reforms; big bourgeoisie and compradors linked with foreign capital (mainly American and Japanese), and members of these circles who recognize the desirability of trade and other relations with socialist countries; the national bourgeoisie (with or without foreign monopoly connections) favoring independent development, and the petty bourgeoisie. This broad bloc ranges from pro-imperialist conservatives to anti-imperialist nationalists and revolutionary democrats. All these years the bloc has been increasingly dominated by the reformist bourgeois circles, a fact largely influencing government policies.

Many of the reforms listed below were long overdue, which to a great extent explains the long and protracted communist-led revolutionary armed struggle and its subsequent agreement with the government in late 1974, with the result that our party and its mass organizations were granted legal status.

Immediately after imposing martial law, a clear sign that bourgeois parliamentarism proved unable to solve the most acute problems inherited from the colonial past, President Marcos, who had proclaimed the 'New Society,' announced a nationwide agrarian reform.

Share tenancy was abolished and the tenant-farmer now owns the entire crop. Now he pays rent, which is less than the value of the crop which previously went to the landlord as his share. This was followed by the government's expropriation of large rice- and corn-growing lands[1] which used to belong to big landlords, and their distribution among the actual tillers.[2]

These measures were taken to supplement the Agrarian Reform Code (passed a year before martial law), which partially abolished the crop-sharing system and provided for its gradual replacement by leasehold, and expropriation of landed estates, public land distribution and resettlement of landless peasants. The aim is to encourage cooperative farming, individual farming and economic family-size farms, and to channel landlords' capital into the industrial sphere. The Code also provides for extending rights to agricultural workers similar to those already enjoyed by industrial workers.

The government provides credits for agricultural development, technical expertise and irrigation facilities, and is trying to keep the prices of goods required by farmers at a moderate level. On the whole, all this helped to increase farm productivity, in some cases substantially. The peasants' earnings could have grown higher if it were not for inflation and inadequate price control. All these reforms are the cumulative result of the long struggle waged by the peasantry and the communists. Without this struggle it would have been impossible to get the ruling powers to revise the former agrarian policies pursued in the interests of the landlords and to go over to a more pragmatic course taking into account, among other things, the fact that improvement of living and working conditions for the rural population is a way of achieving political stability.

Some elements of the present reform are the product of its bourgeois character; it has benefited rice and corn growers. Much has yet to be done to extend the benefits of cooperation to producers of other crops as well, and to provide additional opportunities to those who have benefited only marginally from the reform. This mostly concerns the landless and the land-hungry, the fishermen, craftsmen and other working people with meagre sources of livelihood.[3]

The weakening of the power and influence of big landowners was the direct result of the agrarian reform, which speeded up the capitalist evolution of farming as a necessary condition for neo-colonialist industrialization. This evoked strong opposition on the part of the landlords, who are sabotaging the process of change and are growing more hostile to the government and to the peasant and agricultural workers' movements led by the CPP. Much has yet to be done to end this sabotage.

The choice of direction along which industrialization will proceed is

another area of growing struggle in the Philippines today. Dominated by big foreign corporations, the economy is developing in a neo-colonialist way. However, the ruling national bourgeoisie is more and more determined to pursue an independent path of national development, as the sway of foreign monopolies (especially Japanese and American) in the Philippines produced deplorable results. Furthermore, the initial hope that the liberal incentives offered to foreign monopolists, would result in a huge inflow of capital and modern knowhow and alleviate the acute problem of unemployment, proved illusory. Instead, the multinationals have brought in only minimal capital and have been squeezing out local entrepreneurs in the competition for domestic sources of credit. This prompted the Philippine Chamber of Commerce to recommend that domestic borrowings of the multinationals be curtailed. Today even the traditionally pro-American technocrats holding key positions in the government are beginning to realize the error of allowing an indiscriminate entry of multinationals.

In its drive for economic independence and self-reliance, the government allowed the lapse of the inequitable trade and economic agreement between the Philippines and the USA,[4] which is responsible for the country's prevalent neo-colonialist development. Now, attempts are being made to negotiate a new agreement with the USA on the basis of equality and reciprocal benefit. The ruling circles intend to revise the inequitable Philippine-Japanese trade treaty. Steps have also been taken to revise the liberal incentives enjoyed by the multinationals and stop their abuses. It is only natural, under the circumstances, that foreign capital and the local big bourgeoisie linked with it are offering fierce opposition to government control, compelling the government to make compromises and to maneuver between nationalist demands, on the one hand, and those of the foreign monopolies and their class allies, on the other.

The government's intervention in economic development and in the public sector has accelerated progress toward economic independence. It now owns or controls the iron and steel industry, railway transport, also air, sea and land transportation, oil and meat processing industries and a sizable portion of banking and insurance. A number of the state-run trading companies are engaged in marketing sugar and coconuts. The government has periodic plans for national economic development. A 25-year development plan, now in the pipeline, provides for increasing government intervention in the national economy.

Limited as they are, these changes hamstring foreign monopoly domination. The government meets half-way the demands of the national bourgeoisie, which is trying to protect itself from the unequal

competition with the multinationals and takes steps to lessen social discontent, whose center is obviously shifting from the rural areas to the cities. In these conditions the communists, who have long been struggling against neo-colonialist industrialization, come out for industrialization under national control relying on domestic resources and foreign loans without strings attached.

The government is displaying a more realistic approach to the extremely difficult problem of the Moslem population in the southern Philippines. The widespread unrest among the Moslems, which broke out into open rebellion, is a continuing threat to national sovereignty and territorial integrity. A small section of Moslems demand secession from the Philippines. This unrest has deep historical roots, dating back to the Spanish conquest of the country. Ever since, the Moslems have been treated as second-class citizens.[5]

What is new is that the government has recognized the need to grant the Moslem minority a certain degree of autonomy within the framework of Philippine sovereignty and territorial integrity. To restore peace in the south and isolate the extremist advocates of secession, a good deal must be done to ensure greater Moslem participation in various branches of the government, including the armed forces, and to step up the pace of economic development of that area to enable it to catch up with the more developed Christian regions. Proceeding from their strategic line, the communists demand a stop to Moslems being treated as second-class citizens and full autonomy for the Moslem and other cultural minorities within the framework of a united national-democratic society.

In assessing the shifts in the Philippine political system it should be pointed out that, despite the strong and coordinated pressures of the imperialists and domestic reactionaries for a return to bourgeois parliamentarism, President Marcos has resisted these pressures and the regime has broadened its mass base of support. The authorities lean on the people's assemblies called *baranggays* (the basic political and administrative units) in rural and urban areas. The National Assembly and provincial boards and municipal councils of the old society were replaced by *sanggunians* (councils) on the lower and middle levels and the *Batasang Bayan* (National Legislature) on the national level.

The strengthening of the new politico-administrative bodies through their democratic functioning and growing participation in national development — from decision-making to implementation — is one of the main guarantees of maintaining the transformations and carrying them forward.

Although they participated in bourgeois parliamentary elections in the past, the communists have never had any illusions about bourgeois parliamentarism. The CPP has long been struggling for the

democratization of the power structure and supports the government's disbandment of bourgeois democratic institutions and their replacement by people's assemblies and councils as an initial step toward progressive democratization of the political, social and economic institutions. At the same time, the party demands that martial law be lifted, which would relax the atmosphere of fear, thereby removing the obstacle to full mass participation in the democratization of people's assemblies and councils.

The process of change in recent years has greatly affected various spheres of the Philippines' relations with the rest of the world. The renegotiation of the military agreements with the U.S., now under way, is a major step to end dependence on a military alliance with this imperialist power. The Philippines has interdicted the use by the U.S. of the military bases located on its territory against socialist Vietnam and for a time seriously considered their dismantling. The communists have always been in the forefront of this struggle, and today they support the government in all its steps to achieve this goal.

The final decision to rid the country of foreign military bases depends on the importance the government gives to the Philippines' desire to identify itself with the developing countries struggling for a 'new international economic order' and with the non-aligned movement which our country would like to join as a full-fledged member. Membership would undoubtedly speed up the country's breakaway from the imperialist orbit and evolution in an anti-imperialist direction, even if, for the time being, the Philippines is inclined to maintain an 'equidistance' in relation to the two opposed social systems. The dynamics of competition between them in which socialism increasingly influences world development, will lead the states, which initially chose 'equidistance,' to realize, after they join the non-aligned movement, the need for alliance with all anti-imperialist forces, above all the socialist world. The CPP backs the government's policy of non-alignment and seeks to bring the Philippines into the anti-imperialist trend within this movement.

The Communist Party supports the Philippines' struggle for restructuring international economic relations and points to the need to clarify obscurities (deliberately encouraged by imperialism) arising in the process of defining the root causes of the developing countries' backwardness. Our position is clear: it is imperialism, the giant supra-national monopolies, that are the main enemies of restructuring, while the socialist community is the most reliable ally of developing countries. As they join the struggle for a 'new international economic order,' the developing states cannot avoid drawing this distinction. It is significant in this context that the resolutions adopted by the Sixth Special Session of the UN General Assembly in April-

May 1974[6] exposed the multinationals as the main obstacle in the way of the social and economic development of the Third World countries and demonstrated their resolve to work persistently for a democratic restructuring of international economic ties. The CPP hails the constructive contribution of the Philippines to this struggle which is seen, for instance, in the fact that the conference of the Group of 77 (now including more than 100 countries) was held in our country in 1976 and adopted the Manila Declaration.

The communists believe that within the framework of the Association of Southeast Asian Nations (ASEAN), too, it is necessary to promote economic, political and cultural cooperation among the member-countries. A consistent implementation of such a policy on an independent, anti-imperialist basis offers the opportunity of ending the domination by U.S. and Japanese multinationals. Our party supports the Philippines' policy of resisting the attempts to turn ASEAN into a military alliance after the SEATO pattern. And the danger of forming a new military bloc on the ASEAN basis is quite real. The idea is favored by China, Japan and Australia, and by Thailand and Indonesia, both ASEAN members. On the other hand, the realistic-minded circles within ASEAN disapprove of this step, as they prefer the idea of making Southeast Asia a neutral region and establishing collective security in the area opening up broad opportunities for beneficial cooperation among Asian nations.

The establishment of diplomatic relations with the Soviet Union and other socialist countries in Europe and Asia, and also with socialist Cuba, is indicative of the realism and flexibility of the national-reformist leadership of the Philippines. If we take into account the fact that only a few years ago such ties were taboo, that their establishment was preceded by a long period of mass-scale ideological conditioning of the population in anti-communism and anti-Sovietism to hide the predatory nature of American imperialism and 'democracy,' that the CIA on many occasions was involved in attempts to topple governments and eliminate statesmen that did not suit it, then it becomes obvious that the visit by President Marcos to the Soviet Union and the existence today of diplomatic relations between the USSR and the Philippines are a major landmark along the way of revising the one-sided pro-American orientation of the Philippines, a sign that a virtually independent course in international relations is taking shape.

The establishment of diplomatic relations with socialist countries is the logical and natural response to such present-day realities as the steady weakening of imperialism, its deepening crisis, the turn toward détente on a global scale, the growing acceptance of peaceful coexistence among nations as the basis of understanding between

states with differing social systems. Another undeniable factor of modern development is the growing might and influence of existing socialism, particularly of the Soviet Union, in international relations.

Filipino communists are proud to state that since the declaration of nominal independence in July 1946, the CPP has campaigned for establishing diplomatic relations with the Soviet Union and is convinced that these relations will help the Philippines to pursue an independent foreign policy. This is exactly what U.S. imperialism and its local reactionary allies do not like, and today they continue obstructing the development of Philippine-Soviet cooperation. China, too, tried to obstruct the establishment of diplomatic relations between the Philippines and the USSR and continues to hinder beneficial Philippine-Soviet relations.

The communists like other patriots, within and outside the government, are fully aware of the importance of having extensive, steady and beneficial relations with the socialist world, particularly with the Soviet Union. These relations are our most convincing credentials for the developing nations and the non-aligned movement. They are a valuable guarantee in the struggle against imperialist domination and exploitation.

The Communist Party of the Philippines realizes full well that the changes in the country's orientation cannot be considered irreversible so long as the powerful influence of the pro-imperialist, conservative forces persists in the existing power structure. That is why the party attaches great importance to organizing the popular masses, mobilizing them to struggle for consolidating the positive trends in home and foreign policies and expanding and deepening the reforms.

The difficulties encountered in this process are formidable, not only due to the serious limitations on mass action under martial law, but also because the exploited classes themselves are not yet prepared to wage militant struggle. This pertains, in particular, to a good part of the working class long influenced by opportunist leadership and deeply indoctrinated with indifference to politics and trade unionism based on class positions. After the communist-led trade union movement was outlawed in the early 50s, the big trade union amalgamations in the U.S. and the FRG launched a campaign of indoctrinating the Philippine unions in the spirit of class collaboration and social partnership. Today, too, opportunist and corrupt elements dominate the leadership of the Philippine Trade Union Center and the biggest workers' federations affiliated with it, with the result that the working class is politically less active than it was in the past and should be today. The party considers it a priority task to strengthen its influence among the workers, raise their class consciousness and political

awareness, overcome the purely economic orientation of their struggle, and turn it in a more political direction.

An important achievement of the working-class movement in the Philippines is the fact that the CPP has now secured the right to participate in the country's public affairs. The party's mass organizations — youth, women, peasants and workers — have been revived and are campaigning to bring the party's positions home to the people, particularly on government policies. In its work among the people the party is guided primarily by their aspirations and interests, and is convinced that only by expanding and deepening its roots among the people it could produce the leverage needed to compel the ruling circles to break more decisively with our colonial and neo-colonial past and embark on the road of truly independent development.

1. Located for the most part in Central Luzon, an area of the communist-led peasant movement, the chief contingent active for many years in the armed struggle during the Japanese occupation and in the late 40s and the 50s.

2. Upon receiving land (5 hectares of non-irrigated or 3 hectares of irrigated land) the farmer was obliged to join a cooperative and pay the value of the land allotted to him in 15 equal annual installments. The price of the land is roughly equivalent to the landowner's share of the crop during a period of five years under the previous crop-sharing system. Landowners are allowed to retain not more than seven hectares, provided they cultivate the land.

3. To help them, the government encourages the development of cooperatives and labor-intensive small and medium industries in rural areas, etc.

4. The term of the agreement expired in July 1974.

5. In the autumn of 1977 there was a new outbreak of hostilities between government troops and detachments of the Moslem Moro National Liberation Front with heavy losses reported on both sides. — *Ed.*

6. The Declaration on the Establishment of a New International Economic Order and the Program of Action adopted on the initiative of 97 developing countries, including the Philippines.

What the arms race costs humankind

The press, research centers and public organizations have lately begun to report the alarming fact that, despite the understandings on limiting and banning individual types and systems of armaments, the imperialist powers are continuing to escalate the arms race. Expenditures on armaments have now exceeded the astronomical sum of $350,000m.

The tone of this policy, which can have the most terrible consequences for world peace, is set by the imperialists of the USA. Last summer the U.S. House of Representatives approved military allocations to the tune of $110,100m. for the next fiscal year. Together with the previously approved allocations and funds from the budgets of other departments for the development of a series of new systems of armaments, the building of military installations and military research and development, the total U.S. military budget for the 1978 fiscal year will reach the record sum of $18,000m. In 1945, it will be recalled, the U.S. military budget amounted to $12,000m. It has thus grown almost tenfold.

Military expenditures are growing steadily in all the NATO countries. The military preparations of the imperialists of the USA and all the other NATO countries are compelling the socialist states likewise to allocate considerable funds in order to increase their defense capability. Last but not least, the arms race is placing an unbearable burden on the peoples of developing countries.

Guns instead of butter, missiles instead of schools

Statistics tell us that there are 800 million illiterate people in the world today. Five hundred million people are constantly undernourished. Yet the money being spent on armaments and armed forces is equivalent to approximately two-thirds of the aggregate national product of the countries forming the poorest, chronically starving half of humankind, which is virtually deprived of access to modern education.

Data drawn from *Marxistische Blatter* und *Unsere Zeit* (FRG), *Labor Today* (USA), *New Scientist* (Britain), *Novoye Vremya* (USSR), *100+1 zohronicni zajimavost* (Czechoslovakia), and *The UNESCO Courier*.

Experts have computed that every $100,000m. spent on armaments, in other words, about five-sixth of the sum annually spent on armaments in the USA,[1] would cover the cost of:

— 300 thermal power stations with a capacity of 120,000 kw each;

— 300 oil refineries with an annual output of 3,250,000 tons of oil each;

— 1,000 chemical fertilizer plants;

— 200 synthetic rubber plants with an output capacity of 25,000 tons each;

— 1,600 sugar refineries that would annually produce as much sugar as was produced throughout the world in 1958.

Table 1 shows what could be done if one or another type of weapon were relinquished.

Table 1

Type	Approximate cost in million dollars	Expenditure for socially-useful purposes
B-1 bomber	80	16 hospitals
Trident nuclear submarine	1,500	416 schools
M-X intercontinental missile	15-20	500 classrooms
Aircraft carrier	900	90,000 apartments

Interesting figures are given in publications brought out by peace fighters in the FRG: the new Leopard-2 tank costs the equivalent of 36 three-room apartments. One Lancer missile installation would cover the cost of maintaining 37,000 students for one year. Exercises by a single armored battalion cost as much as 28 kindergartens. Experts have computed that to deliver the world from a disease such as malaria it would require an outlay of $450 million, which is about half what humankind has to pay daily for the arms race. Only $8,000m. are needed to ensure adequate supplies of food for developing countries, where a very considerable part of the population is starving. A sum of $22,000m., or roughly what the USA spends annually on strategic armaments, is needed to put an end to hunger, illiteracy and the most dangerous diseases.

A halt to the arms race and then the achievement of general and complete disarmament, which is consistently and resolutely championed by the Soviet Union and the other socialist countries, would spell not only the peaceful utilization of the $350,000m. now spent on

armaments. General and complete disarmament would also make available for peaceful needs huge stockpiles of military equipment, whose cost is far in excess of $500,000m. (computers, automobiles, tractors, airfield equipment, and so on). The more than 25 million people now in the armed forces of different countries and the similar huge number of people in one way or another working for the armed forces would be able to return to productive work. Lastly, war industries with their highly skilled personnel and sophisticated equipment would be switched to peaceful production; the 25 per cent of the world's scientists now engaged in military development and using for this purpose about 40 per cent of the world's research funds would be able to take up peaceful tasks.

It has been estimated that some $5,500,000m. at their 1976 value have been spent for military purposes during the past two decades. By way of comparison, it may be noted that in 1976 the economic aid to developing nations extended through government channels totalled less than $10,000m. As the Soviet government made it plain time and again, if the money allocated for armaments were to be used for productive needs it would be possible to bring the economy of the developing nations of Asia, Africa and Latin America to the level of the industrialized states within a short span of time.

Who profits by the military boom

But it is not only a matter of direct military spending. Military conflicts that ended long ago continue to drain state budgets. Governments have to pay state debts and the interests on them, and they have to pay out pensions to war veterans and widows of men killed in action.[2] Estimates show that the war in Vietnam, for instance, will influence the U.S. state budget for at least another half-century. For the sake of comparison, the following table shows the relationship between the USA's immediate and estimated ultimate military expenditures in past wars (see Table 2).

Table 2

	Immediate military expenditures	Estimated ultimate military expenditures
World War I	$ 26,000m.	$112,000m.
World War II	$228,000m.	$664,000m.
War in Korea	$ 54,000m.	$164,000m.
War in Vietnam	$128,000m.	$352,000m.

The content given to the concept 'enemy' likewise changes with

time. Whereas during the Franco-Prussian war of 1870-71 of every 100 persons killed 98 were soldiers and two were civilians, in the First World War this relationship was 52:48, in the Second World War it was 24:76, and in the U.S. war in Vietnam only two of every 100 killed were soldiers; the rest were civilians.

Moreover, the expenditures on the manufacture of armaments are growing continuously because modern weapons age very quickly. Today the average life span of a combat aircraft or missile does not exceed 5-7 years. Every new type of weapon is more intricate and expensive than its predecessor. The following are some examples: During the Second World War an American fighter aircraft cost some $53,000, while in 1972 a new interceptor aircraft cost as much as $18m. In 1940-45 a bomber cost $218,000, but in 1972 the new B-1 bomber cost $80m., while a Boeing-707 specially equipped as a super-strategic radar and command plane cost $180m.

The development of new types of mass destruction weapons, the latest of which are the neutron bomb and the Cruise missile, swallows many thousands of millions of dollars and turns war into genocide, into criminal extermination of the civilian population. Who is interested in this sort of development?

The industry producing more than half of the capitalist world's armaments is controlled by a handful of between 25 and 30 monopolies. The profit rate of armaments enterprises is much higher than that of civilian corporations. In the USA they are principally giant concerns such Lockheed, General Electric, Boeing and MacDonnel-Douglas, and in the FRG they are Messerschmitt-Belkow Blom, Siemens and Telefunken. In 1973 the profit rate of the large American concerns producing civilian consumer goods was roughly 10 per cent, while the corporations concentrating on arms production had a profit rate of more than 56 per cent. In 1972 when the USA's total arms expenditures had not yet topped $100,000m., the military-industrial complex pocketed a total profit of $55,400m. Practically every second dollar paid by the American taxpayer for the upkeep of the armed forces found its way to the safes of the military-industrial complex.

This explains why the military-industrial complex is the main instigator of tension. It maintains an army of propagandists, lawyers, generals and scholars who go to all lengths in an effort to prove the need for the arms race, obstruct and disrupt disarmament talks, whip up anti-communist hysteria and seek to persuade the man-in-the-street in the capitalist countries that his world is threatened by the USSR and other countries of the socialist community and that this is making it necessary to spend the taxpayer's money on the manufacture of more expensive and more heinous weapons.

Yet another imperialist objective

For the monopolies the export of armaments is also a source of large profits. While in 1963 arms exports totalled $4,400 m., in 1973 they reached $8,700m., and in 1975 the U.S. military-industrial complex alone exported 9,300 million dollars' worth of weapons.

The USA is the largest exporter of armaments, selling them to more than 70 countries. Sales of weapons account for most of the American program of 'aid' to other states. Lately, the Middle East has become the principal buyer of U.S. armaments, with most of the deliveries going to Israel. In 1974-75, for instance, Israel received armaments adding up to a sum far in excess of $4,000m. Huge arms orders were received by the U.S. monopolies also from the Persian Gulf states. More than half of the U.S. arms exports went to that area in 1974. The next biggest arms exporters are France and Britain. The West German concerns have lately become extremely active in this sphere. In addition to direct arms sales, these concerns are building munitions factories in Argentina, Singapore, Thailand, Indonesia, Ghana and Sudan. Israel, too, is exporting armaments. According to the press, Israeli arms exports have reached proportions where they equal those of the FRG and Britain. The racist regimes in the RSA and Rhodesia are the principal buyers of Israeli armaments.

The growing sales of armaments to many developing nations, chiefly to countries with reactionary regimes, the fanning of conflict situations and the escalation of the arms race in that part of the world are a means which the imperialists use to keep developing countries in bondage to the neo-colonialist imperialist powers.

The military expenditures of developing nations have reached the sum of $424,000m. over the past 20 years and are growing at double the rate of their economic base. These countries today account for more than 14 per cent of the world's expenditures on military requirements. For them this is an unbearable burden and a major obstacle to economic and cultural development and to the implementation of sweeping social reforms, in fact, to everything needed by their population.

Despite demagogic propaganda declarations, the arms race is bringing no material benefits to the working people of the developed capitalist countries either. The peace fighters in the FRG, for instance, have noted time and again that before the arms race was stepped up in the FRG there was practically no unemployment in that country. With the aid of economists a student research group in Michigan recently computed that every $1,000m. invested in the arms race creates only 35,000 jobs, while a similar sum invested in civilian industries would mean:

— 150,000 jobs for unskilled workers; or
— 100,000 jobs for teachers; or
— 76,000 jobs on the construction of urban utility networks; or
— 50,000 jobs on the construction of schools.

The huge unproductive expenditures of the capitalist countries on the arms race are increasing the state debt and are one of the main reasons that the annual inflation rate in many capitalist countries has now reached 12-15 per cent. Military spending has caused prices to rise and generated the crisis of cities, public health and education. This falls squarely on the shoulder of the working masses.

For that reason public opinion is more and more emphatically demanding that governments take steps to limit armaments and achieve disarmament. Growing support is being won by the firm stand adopted on this issue by the USSR and the other countries of the socialist community. This stand was defined by Leonid Brezhnev, General Secretary of the CPSU Central Committee and President of the Presidium of the USSR Supreme Soviet, who said that 'there is no seat of military danger that the Soviet Union would not be interested in removing by peaceful means; there is no type of armaments, particularly weapons of mass destruction, which the Soviet Union would not be ready to limit, prohibit on the basis of reciprocity, in agreement with other states, and then remove from the arsenals.'[3]

1. This only concerns the official military budget. The facts show that it does not indicate the entire sum of expenditures on armaments. For instance, it is now known that the money for the development of the neutron bomb came not from the Pentagon budget but from the budget of the Energy Resources Authority. In this connection the U.S. press has reported that the actual military expenditures exceed the official Pentagon budget by about $60,000m.

2. We cannot vouch for the accuracy of these estimates, but a retired U.S. admiral has calculated that 2,000 years ago Julius Caesar spent 75 cents for every enemy soldier killed in action. In 1800 a dead enemy cost Napoleon Bonaparte $3,000. The USA spent $21,000 to kill an enemy soldier in the First World War and $200,000 in the Second World War.

3. *Pravda*, July 9, 1977.

WORLD MARXIST REVIEW

Problems of Peace and Socialism

Contents for 1977

(Numbers 1-12)

FEATURES	No.	Page
Aliyev, G. Democratic centralism in the activity of the CPSU	3	3
Anniversary preparations	4	11
Ashhab, N. Helsinki and the developing countries	6	35
Axen, H. For peace, security, cooperation and social progress	8	13
Boychuck, P. NATO against détente	5	54
Brezhnev, L. A historical stage on the road to communism	12	3
Chandra, R. The Helsinki agreements and the struggle for peace	5	3
Communiqué on Conference of Communist and Workers' Parties on the work of *Problems of Peace and Socialism*	6	3
Corvalan's message to *World Marxist Review*	2	3
Crucial stage in the peoples' liberation struggle	11	46
Cunhal, A. The Great October and the world revolutionary process	12	19
Cunhal, A. Results and prospects of the Portuguese revolution	1	18
Eskandari, I. Illusions of bourgeois reformism in developing countries	5	35
Fedoseyev, P. The 25th CPSU Congress and questions of Marxist-Leninist theory	2	20
For new frontiers in détente, for stronger security and broader cooperation in Europe	1	4
Frelek, R. The crucial event of our century	4	3
The Great October and the Contemporary World. International scientific theoretical conference	9	3
Honecker, E. Sixty years of struggle for the peace and happiness of mankind	7	3
Husak, G. True to the behests of October	11	21
International scientific theoretical conference	8	24
Ismail, A.F. On socialist orientation	10	36
Jackson, W. U.S. 'hawks' step up activities	3	27

	No.	Page
Kadar, J. Some lessons of socialist construction in Hungary	1	5
Karkabi, Z., Carrera, J. Socialism on the farm	7	25
Lenin's documents on the first day of the Great Revolution	11	3
Longo, L. An event that changed the face of the world	11	33
Mitra, S., Haba, A. We saw the brotherhood of nations	6	13
Mittag, G. The socialist economic intensification strategy	5	45
Mohammed, A. Key trends of the liberation process	2	4
Muhri, F. Inspiring force of example	11	37
Muhri, F. Political democracy and class dictatorship	4	12
Phomvihan, K. The victory of creative Marxism-Leninism in Laos	3	15
Pittman, J., Sudiman, S. Government by the people	5	12
Ponomaryov, B. Communist solidarity is the true road to success for the cause of peace and socialism	7	12
Presentation of World Peace Council scroll	6	4
Reimann, M. Time of big and realistic hopes	1	31
Roca, B. Specific features of socialist democracy in Cuba	2	14
Ruben, V. The triumph of the Leninist policy of nationalities	11	68
Soares, J., Ohman, R. A society that believes in itself	10	16
Strougal, L. Social and economic policy in period of building developed socialism	4	20
Suslov, M. The new epoch of world history	11	7
To our readers	1	3
Tsedenbal, Y. The October Revolution and Mongolia's path to socialism	8	3
Urbany, R. International politics and moral standards	6	5
Volodarsky, L. On the way to leading positions	11	62
Zhivkov, T. The unfading light of the October Revolution	10	3

PARTY EXPERIENCE

Cantero, M. The role and character of external factors	8	42
Carrera, J. Investigating the economy	5	102

	No.	Page
Christensen, J. Communist Party of Denmark after its congress: confidence and optimism	4	50
Communists in the municipalities	10	69
Costa, C. The way to revive the Portuguese economy	10	54
Danelius, G. A fundamental internal political change is needed	7	45
Dohlus, H. Reliable compass for the communist future	6	49
Filipov, G. Cornerstone of the party's economic policy	8	32
Györi, I. Living Marxism for the masses	7	53
Hall, G. The class position of the party and opportunism	8	26
Herger, W. The party and the younger generation	2	42
Indra, A. Socialist parliament: an instrument of people's rule	10	42
Insuza, J. Roads of revolution	5	89
Kashtan, W. Alternative to monopoly policy	1	40
Knutsen, M.G. Communist Party independence	11	75
Marin, G. The working class and its policy of alliance	7	63
Mendez Garcia, A. Clear guidelines for struggle	12	39
Menon, A. The progressive program and the working people's activity	1	62
Mies, H., Fritsch, J. GCP development prospects	12	30
Millas, O. Stages of the struggle	2	50
New conditions — new quality of work	2	62
Padilla, R. The collapse of bourgeois reformism and the communist alternative	11	85
The party and the building of developed socialism	7	84
Pato, O., Vitoriano, J., Serra, J. The revolution's most militant political force	4	41
Pavlov, T. We were regents	4	62
Pinkowski, J. The Polish village on the road to change	10	61
Rodriguez, P. Defending the people's power	6	57
Rojas, R. Psychological warfare: a political weapon of imperialism	3	39
Salim, A. Stop reprisals and persecutions	11	91
Saxlund, R. The quiet heroism of the revolutionary	2	70
Schoemberg, P., Müller-Schoup, A., Pasqualoni, F., Wagner, S., Ruckert, A. Why we are with the communists	5	110

	No.	Page
Teitelboim, V. Reflections on the 1,000 days of Popular Unity rule	1	50
Travinek, T. A weapon in the struggle for democracy and socialism	7	75
Urbany, R. The working class — national and international tasks	3	31
Vass, H. Toward socialist national unity	12	47
Vilner, M. Peace in Middle East: sheet anchor for Israel	4	32
Vincent, J. Economic analysis and political decisions	6	42
Zakaria, I. The struggle of the Sudanese communists	4	55
Zapirain, S. For a big mass Communist Party	1	69
Zaradov, K. A victorious democratic revolution	2	30

VIEWPOINTS

Aldridge, J. Freedom of choice and the choice of freedom	2	124
Baghi, P. New dimensions of the anti-monopoly struggle	7	126
The basis for joint action of political forces in the battle for disarmament	8	60
Buschmann, M. The neutron bomb — an affront to humanity	10	104
Chandra, R., Kade G. Outlook for détente and disarmament	4	80
Chnoupek, B. The main factor for favorable changes in the world	6	68
Cook, D. The forces for change in Britain	6	76
Dadoo, Y. Crisis in the citadel of racism and apartheid	4	70
del Prado, J. A difficult stage in the process of change	12	88
Fava, A. Paths of struggle for a new democracy	11	104
Fatogun, D. New horizons in Nigeria	4	96
Fazio, H. New front in the struggle against imperialism	6	84
Fedorenko, N. Global forecasts and realistic solutions	5	114
Gallardo, A. For the right to live without fear	2	129
Gamzatov, R. The social purpose of artistic creation	1	106

	No.	Page
Georgiev, L. The social and political significance of nationalization in the newly-free countries	7	132
Ingles, C.A. National and international factors in our struggle	2	110
International seminar in Delhi	2	131
Karasyov, K. Charter of developed socialism	8	53
Karasyov, K. Further extension of Soviet democracy	10	96
Khachaturov, K. The crooked mirror technique	12	107
Krishnan, N.K. Our tasks in the context of the new situation in India	11	92
Lava, J. The new in the Philippines' orientation	12	122
Lewin, R. Belgium's urgent problems and the communists' attitude	4	87
Macaluso, E. The agricultural policy of the EEC	3	110
Macovescu, G. Effective contribution to European security	2	104
Mayer, R., Lindemans, I. The defense of peace — a common cause	2	116
Meseguer, J.G. A victory for democracy	11	113
Montes, V. What is happening in El Salvador	12	103
Mosquera, A. Colombia: mass struggle on the upswing	12	101
Nogeira, M.A. The struggle is only beginning	3	106
P.A. Spain — the demand for a general amnesty	2	130
Pana, G. Forum of socialist democracy in Rumania	12	114
Papaioannou, E. Will of the unsubdued people of Cyprus	1	82
Patriots of Paraguay will be victorious	4	95
Persia, P.J. The Dominican Republic: problems and prospects	5	124
Pittman, J., Karkabi, Z. The true face of Zionism	3	119
Rocha, C. Communist internationalism: a factor we can rely on	1	87
Sinclair, B. A journey into inflation	1	102
Soares, J. The only alternative to fascism	12	96
Touma, E. The ultra-right in power: causes and consequences	8	76
Verlet, M. French imperialism on the world scene	1	92
Verner, P. Material basis of the socialist community	1	74
Werner, L. The outlook for the Swedish working-class movement	2	96

	No.	Page
Wrebiak, T., Kwiatowski, G., Padilla, L. The right to work, the right to manage	10	108

EXCHANGE OF VIEWS

Blishchenko, I., Kohen, A. The human rights issue	7	112
The class roots and nature of racism	8	83
Dansoko, A. Proletarian internationalism and the revolutionary process in Africa	5	73
Economics and politics under developed socialism	3	49
Ibrahim, B. Essential condition for progress	6	121
Kozharov, A. On ideological and political pluralism	1	114
Krüger, H. Capitalism in crisis: some conclusions for our strategy	6	112
Latin America: current tasks in the anti-imperialist struggle and international solidarity	10	125
Michalik, M. Interests and the way of life under socialism	2	87
Mosquera, A., Soares, A., Vasquez, P., Kohen A. Some problems of the ideological struggle in Latin America	8	109
Nørlund, I. The validity of proletarian internationalism	3	86
Olszewski, K. Socialist economic integration and international relations	5	63
O'Riordan, M. Rust-proof weapon of the working class	2	79
Protecting natural resources and fighting for national independence	4	103
Purton, J. Export of capital — one of the essential bases of imperialism	5	79
Radulescu, G. Toward a new international economic and political order	4	122
Richta, R., Batalov, E. Social reality and the socialist ideal	3	95
The role of the public sector in developing countries	12	58
Rubbi, A. The new internationalism	1	123
Schröder, K.-H., Scharf, E., West, J., Vieira, G., Mayta, P., Terfve, J., Eskandari, I. Against the ideology of subjugating the working class to the capitalist system	11	116
Social problems of the cities and communist policy	6	93
Subasinghe, D.W. Political alliances in the anti-imperialist struggle	7	102

	No.	Page
Wirth, A. The international factor in Lenin's theory of revolution	3	76

THE PRESS

A.K. A staunch internationalist	4	139
Cox, I. Troubled youth, troubling world	11	131
Dähne, W. Cultural decadence under imperialism	2	142
Dino, V. Revolutionary brotherhood	4	137
Fazio, H. The example and experience of Recabarren	2	140
Fürnberg, F. From the 'new left' to the old right	6	134
Janicki, J. Broad panorama of class battles	6	132
Kumpf, R. On a pendulum swung by crisis	3	130
Lipkovics, K. Internationalism and national interests	6	129
Mchedlov, M. Inspiring example of dedicated services to communist ideals	2	132
Mokshin, S. Dangerous myths	1	130
Mushkaterov, Y. Building communism	7	141
Novotny, L. Landmarks in the history of the Communist Party of Czechoslovakia	2	138
Peschansky, V. Present-day capitalism and classes	4	141
Peterson, J. Purveyors of lies	5	130
Sanchez, O. For Guatemala, the revolution and socialism	11	135
Sinclair, B. Marxism-Leninism: the source of strength	4	134
Vladimirov, I. Undying message of revolutionary experience	11	129
Weapon of the truth	8	121

FACTS AND FIGURES

Capitalist economic crises	1	137
Kabrhelova, M., Sohn, S. Women in differing societies	3	136
The strike movement in the developed capitalist countries	5	139
The U.S. military-industrial complex and the arms race	6	139
What the arms race costs humankind	12	130

IN MEMORIAM

Max Reimann	3	142
In brief	2	143
	11	141

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