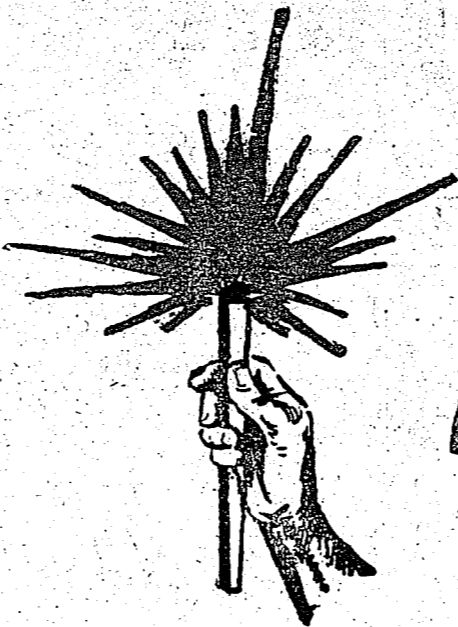


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EDITORIAL

Ideology and Policy

THE struggle against imperialism is sharpening. The forces of national independence movements, the newly independent states and the increasing numbers of socialist countries are developing the all round struggle to defeat imperialism. Millions of people in states with widely differing historical backgrounds, different experiences and at varying levels of social development are drawing nearer together in the anti-imperialist struggle.

In African countries the people have to be drawn together to strengthen their independence and to build a new life, free from capitalist exploitation.

As the struggle becomes more intensive, imperialism uses every possible method to split the opposition to it, ranging from temporary minor concessions, to bribery, to threats and blackmail.

Events in Africa today bring to the fore a vital discussion on ideology and policy.

In "Towards Colonial Freedom" Kwame Nkrumah quotes from Mazzini as follows:

"Every true revolution is a programme; and derived from a new, general, positive and organic principle. The first thing necessary is to accept that principle. Its development must then be confined to men who are believers in it, and emancipated from every tie or connection with any principle of an opposite nature".

This means that the programme and policy of a revolution has to be constructed on a principled basis, consistently obeying the demands of ideology. Any attempt to dilute revolutionary principles to fit the convenience of immediate tactics, in questions of policy is to undermine the very revolutionary principles on which the masses are called into action.

Ideology is not a mere intellectual luxury. It is the intellectual springboard from which people leap into action.

Every man whether he is conscious of it or not has an ideology, not always profound, not always rational but he has a set of ideas which conditions his actions and responses. This is precisely why ideology is so vital because it inspires the way in which men act. The degree to which men act to change society is determined by the clarity and the purity of their revolutionary ideology.

Today when two conflicting systems are battling for men's minds only a fool would deny the importance of the ideological battle. In practice we must recognise the truth of the well known statement that "when an idea seizes the mind of the masses it becomes a material force".

Ideology has to be fought for, argued for and continuously justified especially by scientific socialist. Our scientific socialist ideology is based on the recognition that there are basic laws of social development and that just as man can use his knowledge to control nature so he can use his knowledge of the laws of social development to construct socialism. This combination of scientific outlook with humanism is the power which inspires men to fight and sacrifice for a new world where exploitation, injustice, poverty and insecurity will be eradicated by socialism.

Every action that we take therefore and every policy that we formulate must be designed to lead to the winning of a continental union government on the basis of socialism. Our policy must be the practical expression of our ideology, it must be based on our scientific understanding of the laws of the development of human society.

To believe that policy is separate from ideology and that the principles of a philosophy should in practice lead to a policy which flounders blindly from one complex situation to the next is to believe in opportunism of the worst kind. Such a policy, without the guiding lines of ideology can lead only to an empirical approach in which one problem or decision appears to have no connection with any other problem.

A principled policy based on a well grasped revolutionary philosophy not only repulses the ene-

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JULIUS SAGO ON:

The 1965 Budget

THE objectives are clearly socialist; the measures are closely geared to the requirements of the 7-Year Development Plan; but the controls are ineffective. Financially speaking, the ship of state has set the correct course, but the ship itself has sprung a leak. If we can plug the leak effectively and within a short time, the 1966 budget could be our first wholly socialist budget both in its aims, its measures and its effectiveness. Looked at this way, the 1965 budget is a transition budget. It is a big improvement on earlier budgets; but it has thrown up serious administrative problems. And we shall be out of the woods only when effective administrative controls are created to complement the sound fiscal measures.

The 1965 budget has done a great service to this country by its comprehensiveness and lucidity. No one reading through the budget statement will fail to have a very clear picture of all aspects of our national economy. There has been no attempt to hide facts; and this has revealed the strength of our government and the buoyancy of our economy.

The budget brings out many facts relating to our economy which will give joy to our friends. Simultaneously, these facts will bring cold comfort to our foes who have been busy predicting economic doom for this country.

Revenue collection has been up to expectation with the Revenue Department bringing in all that was expected from it; the slight shortfall in revenues from the Customs Department being due to a fall off in imports; and the Electricity Department ranking in a record of £3.8 million.

BEARER BONDS

The 1964 bearer bonds to the value of £5 million were all taken up.

The Railways and Harbour Administration has shown remarkable financial strength. Its 1965 expenditure made up of £8 million on recurrent expenditure and £6.6 million on development expenditures—a total of £14.6 million—will all be met out of its own resources.

Our visible trade position has improved. The 1964 operations will close with an expected surplus of 3 million. This looks small. But it is a big jump from the 1963/64 position of a deficit of £21 million. Thus we have improved on our visible trade to the tune of £24 million in one year.

Even before the 1965 estimates were laid before the National Assembly, committed foreign credits had reached the impressive total of £26.4 million. This is an eloquent testimony of our credit worthiness.

And the foreign financiers must have been impressed by the way we coped with the financial gap of £47.8 million for the 15 months October 1963—December 1964. This amount was raised as follows:

| | |
|--------------------|----------|
| Deposits | £1.95m. |
| Internal Borrowing | £43.45m. |
| External Borrowing | £2.4m. |
| Total | £47.80m. |

In other words, we could finance the difference between total expenditure and budget revenue to the tune of 92 per

cent from domestic sources.

The 1965 budget also draws attention to two weak points in our economic operation in 1964. The first is the very low growth rate of the economy. We recorded only 1.2 per cent growth which, taking into account the normal 2.6 per cent population growth rate, leaves us with a stagnant economy. A close study of this phenomenon has revealed two factors to be at work—inefficient administration of import controls and foreign exchange allocation, and inefficient management especially in the state sector of the national economy. It is gratifying to note that the 1965 budget faces up to these problems squarely.

The other bad point in the economy is the continued deficit in our invisible trade. This stands at about £25m. a year. The Black Star Line, Ghana Airways and the State Insurance Corporation have got to work harder to reduce drastically or wholly eliminate this invisible trade deficit.

THE FALL OF COCOA PRICE

A factor not of our making is the low world price for cocoa. This has been stationary for some time at around £180 per ton.

This then is the background against which the 1965 budget has been drawn up. The current budget provides for a total expenditure of £200 million, the highest in the history of this country. This works out at nearly £30 per head of population compared with a budget expenditure of a little over £3 per head of population in Nigeria.

The 1965 budget has concentrated on solving three problems. And our view is that it has largely succeeded in this. These three problems are:

1. to mobilise domestic resources;
2. to stimulate economic activity more especially in the directly productive sectors of agriculture, industries, fishing, mining and forestry;
3. to distribute the sacrifices of economic development fairly among classes and categories;

We shall consider these in

the order they are listed.

First, the domestic mobilisation of resources. There is a resolute drive to mop up extra spending power through increased purchase tax and custom duties. The luxuries have had to bear more of these burdens.

COCOA FARMERS

The cocoa farmers are contributing 4/- per load of cocoa (60 lbs.) to the new Agricultural Credit and Co-operative Bank which will provide credit at low rates of interest to farmers.

The network of the Post Office Savings Bank is being extended in order to provide savings opportunities for the small saver in the remote areas. The Ghana Commercial Bank is being made to pay income tax; insurance law is being amended to tie down more insurance funds in the country; and an amended Banking Act will give the Bank of Ghana greater control over commercial banking in the country.

The Social Security Act will provide massive accumulation from both workers and employers. While workers contribute 7½ per cent of their earnings, the employers will provide twice as much as each worker contributes. And payments into this provident fund and into life insurance will be exempt from tax. This gives adequate provision against old age, accidents and premature death. In addition, it provides a lucrative source of investment capital.

The budget measures for stimulating production in agriculture, industry, mining, forestry and fishing are varied and incisive. Purchase tax on diesel oil is held back. There is a drag back on certain duties on goods meant for export. Tax relief is granted to managerial staff in forestry and mining. There is a 10 year moratorium on interest charges on loans to farmers by money lenders. This massive assault on rural indebtedness is bound to have a stimulating effect on agricultural production.

By and large, the burden of raising the additional £22.9 million revenue in 1965 over the 1964 level has been fairly distributed among all economic categories. Workers earning up to £15 a month are completely exempt from income tax; but they make their contribution through the

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IN THIS ISSUE

D. N. PRITT, Q.C.,
on
LAW IN A CHANGING SOCIETY.
"CHE" GUEVERA
on
GUERRILLA WARFARE
and
RON BELLAMY,
on
THE WEST GERMAN "MIRACLE"

OBITUARY

"The old order changeth..."

"Here the proud man surrenders his dignities, the politician his honours, ... Here, at last is nature's equity. The wrongs of time are redressed, injustice is explained, the irony of fate is refuted, the unequal distribution of wealth, honour, capacity, pleasure and opportunity, which makes life so cruel and inexplicable a tragedy, cease in the realms of death. The strongest has no supremacy and the weakest needs no defence. The mighty captain succumbs to the invincible adversary, who disarms alike the victor and the vanquished."

WITH the death of Winston Spencer Churchill a whole chapter in the history of Britain has come to an end. He died at 90 but he used 64 of it in public life. As a journalist, writer and orator, he was of an exceptional calibre. But as a politician he was the successful Tory failure doomed by history to defeat. The great political and social changes that have come about in his life time are the opposite of Sir Winston's aims. Indeed his life was dedicated to preventing them. He succeeded in reaching the highest political posts. But he failed to achieve his main political aims. Perhaps that was the reason why he did not like the new world he saw growing around him. "With the end of the Victorian era we passed into what I feel I must call the terrible 20th century", he wrote.

When he first entered the British Parliament there was no socialist party in Britain. Socialism was a growing political idea and

movement. But there were no socialist countries.

There were half a dozen colonial empires, of which the British empire—on which "the sun never sets"—was the biggest, covering nearly 13 million square miles of the earth's surface. In fact Churchill refused to preside over its liquidation.

The first big blow to Churchill's beloved era was the victorious socialist revolution overthrowing tsarist tyranny in Russia and liberating the peoples in the tsarist colonial empire.

He never ceased regretting what he described in later years as "the failure to strangle Bolshevism at its birth". Even during the second World War when he found himself leading a nation fighting shoulder to shoulder with the Soviet people against the common Nazi enemy, he still kept his eyes on his long-term goal of the attempt to destroy socialism.

Thus it was that at the time of the Stalingrad battle in 1942, Churchill as Prime Minister of Great Britain advocated in a confidential memorandum—revealed later by Mr. Harold Macmillan—the formation of an anti-Soviet bloc immediately the war was over.

That was how he helped to sow the seed of the cold war. He even went so far as to instruct Montgomery to stack captured German weapons lest it would be necessary to return them

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The Trial of Jomo Kenyatta

THE prosecution of Jomo Kenyatta and five of his fellow-members of the Kenya African Union (commonly called K.A.U.) provided a classical example of the folly of a colonialist government trying to suppress the peaceful and lawful aspirations of a people and to discredit its leaders, and of the effects of such folly in driving political activity underground and thus creating civil war and hastening the achievement of independence; it showed, too, the utter lack of scruple with which such a government will carry on a political prosecution.

QUIET COUNTRY

Kenyatta, then and now the much-loved leader of the Kenya Africans, and now President of independent Kenya, was prosecuted and convicted at a trial which ran from November, 1952, to March, 1953 (with various appeals which took up time over a number of months which followed), on a charge of managing a "proscribed organisation" called Mau Mau, of which comparatively little had then been heard, although it so afterwards became well-known as the spear head of a civil war which raged for some years.

Politicians in the rest of Africa thought of Kenya at this time as a quiet country, not "in the running" for independence for a long time to come; but this position was changed by the misbehaviour of a typical colonialist government, rendered worse than most such governments by the pressure of a large and powerful body of settlers. There was in the country one lawful political organisation of Africans, K.A.U. mentioned above, which in spite of many restrictions on its activity was an effective body with a paid-up membership of over 100,000; it was of great importance as the one channel of agitation for the redress of African grievances and the expression of African aspirations.

The government, of its own folly or through the pressure of the settlers, or both, made up its mind to destroy K.A.U. and to get rid of Kenyatta's great leadership of the people; and it decided to start by prosecuting Kenyatta and five of his colleagues who were, or were thought to be, the executive committee of K.A.U. on the charge of running the illegal Mau Mau, as a first step to proscribing K.A.U. itself, which it later took courage to do. It was thus, in effect, telling every Kenya African who wanted independence, or the right to own and cultivate land in the fertile highlands then reserved for Whites or even better education or better standards of living, that he was to have no lawful means of working for these aims but must either accept his fate or go underground with Mau Mau and fight a civil war for his elementary human rights; but the then rulers of Kenya were too blind to see that, or to realise that by such a prosecution they were virtually ensuring the independence of Kenya within ten or twelve years and appointing their momentary victim, Kenyatta as the first President of the new State.

PROSECUTION

As for the prosecution itself, it is hard to think of any offence against just and honest standards of conduct which the government did not commit in the course of the trial. If I am to write an article rather than a book, I must leave most of them unmentioned and concentrate on the core of the story and on one or two of the major offences; and for the same reason I must leave on one side the

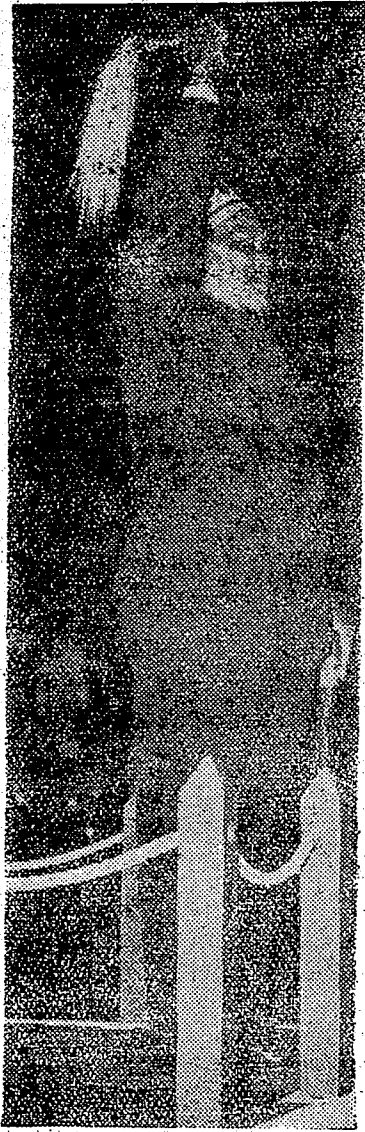
cases of Kenyatta's five colleagues who were prosecuted with him, important as they were then, and are now, in the government of their country.

The government was terrified of the effect on its position if it should bring Kenyatta to trial in Nairobi—the place where he ought to have been tried, for he and his colleagues lived there or near there, the prosecution witnesses and lawyers and other normal facilities for fighting cases were available. It therefore used various tricks to stage the trial in semi-desert country, nearly 300 miles from Nairobi. In spite of the practical difficulties thus caused (my protests against which led to my being prosecuted for contempt of court and triumphantly acquitted) we gathered together a formidable body of defence lawyers; besides myself, there were a Kenya Indian, a Kenya Goan, a Nigerian and at times a West Indian and another European. Lawyers from the Gold Coast (Ghana), the Sudan, and India, also offered their services, but were refused admission by the government.

The charge was of managing Mau Mau from the date when it was proscribed, in August, 1950, until the date of Kenyatta's arrest—over two years. The prosecution refused to give particulars of any act which Kenyatta was alleged to have done at any time by way of "managing Mau Mau"; and thus neither Kenyatta nor his lawyers nor anyone else (except perhaps the prosecution) had any idea what the case against him was, or how he could prepare to rebut it, until the witnesses, one by one and bit by bit, told their stories, true or false, in the witness-box.

In the end, the evidence against Kenyatta proved to be a miscellaneous collection of "bits and pieces", not linked one with another and forming no connected story; they were called "incidents", and sixteen

of them were there to establish that Kenyatta had been managing Mau Mau continuously for over two years. One would have thought that a government that assumed to charge people with managing Mau Mau, and from its own point of view had to combat Mau Mau, must have found out something about it from



Jomo in Victory

somewhere; but it never even attempted to prove where any of its offices or premises were, who—apart from the accused—was engaged in running it, how it was run, or supplied, or financed, or recruited, or what functions Kenyatta fulfilled in it. There was never any evidence of any meeting,

by
D.N. Pritt

nor a minute book or an account book—in short nothing. And Kenyatta's case of course was simple; that he had never had anything to do with it.

What were the sixteen incidents? What did they establish? They fell into several groups—in the sense that if the incidents were proved they would show that Kenyatta had at some time had some connection of some kind with Mau Mau—consisted of two alleged ceremonies of initiation by Kenyatta of people into Mau Mau. They were both said to have taken place some months before Mau Mau was proscribed and no attempt was ever made to show that Kenyatta had even had anything to do with anything of the sort after the proscription. Thus the inference that one would draw, if the evidence were believed would be that Kenyatta had had some connection with Mau Mau when it was lawful to do so, but had dropped it when it became unlawful.

But the real defect of the "initiation" incidents was that they could not be believed. The first of the two, put in the forefront of the prosecution's case, was full of inherent improbabilities, and was rebutted by nine defence witnesses, but its most sensational defect was that in 1959 we were able to prove conclusively in Court, in Kenya, that the evidence of the only prosecution witness to the incident was deliberate perjured invention, without even a substratum of truth, and that the witness was paid by the government in money or money's worth, well over £2,500 for his perjury. If this became clear that some unspecified number of officials in the investigating and prose-

cuting authorities of the government must have known that they were buying and putting forward a concocted case, and that some of them were party to authorising the payment of or expenditure of £2,500 out of public moneys for two or three weeks' work by a perjurer.

As for the second initiation story, the one witness to that in effect broke down, and the incident was not proved.

What was left after these two incidents were disposed of was very little. There were six incidents in which it was alleged that Kenyatta, being invited to denounce Mau Mau publicly, had not done so, or had told people not to bother about it. There were a good many reasons why these incidents should not be regarded as proved; but if they were, one is purely not guilty of running something just because one does not use every opportunity to denounce it; one may have something better to do with one's time. (I have very often not denounced the Tory Party, but none has ever accused me of running it). There was in fact positive evidence that, on one of the six occasions when he was said to have failed to denounce Mau Mau, Kenyatta had in fact denounced it; and there was a further incident in which he had denounced it at a vast public meeting near Nairobi, shortly before he was arrested.

Then there were four more incidents, which consisted of three hymn-books published by someone, in which there were hymns praising Kenyatta, without any mention of Mau Mau; and a fifth consisted of a black exercise-book, found in Kenyatta's house but never shown to have had any connection with him, in which one of the hymns contained in one of the hymn books was copied! This was all solemnly put forward as proof that Kenyatta was managing Mau Mau.

The three remaining inci-

dents were no better; in one, Kenyatta was alleged—under circumstances of extreme improbability—to have warned a group of K.A.U. members not to administer oaths by force; in another, witness said that in 1949 before the proscription of Mau Mau, Kenyatta said something which implied that he was a member of Mau Mau; the witness spoilt what little effect this might produce by saying that at that time Mau Mau had not been heard of.

The last incident was the draft of a letter, prepared in 1948, in which Kenyatta invited a number of people to a private meeting, not of Mau Mau nor even of K.A.U., but of an older body called the Kikuyu Central Association.

That was the sum-total of everything that the prosecution proved or tried to prove against Kenyatta; surely it amounted to nothing. But Kenyatta was convicted, sentenced to the maximum of seven years' imprisonment, recommended for "restriction"—in substance, in-



D. N. Pritt, Q.C.
Defender of the Oppressed

ternment—after the expiry of his sentence, and in fact kept in captivity until he had to be released to take a great and honourable part in the government of his independent country.

SOLIDARITY WITH CUBA

THE Uruguay's newspapers "EPOCH" and "POPULAR" published on the 8th of January, 1965 the appeal of 50 public and political figures of Uruguay to all progressive organizations and people of good will all over the world with a call to support organization and holding the Continental Latin-American Congress of solidarity with Cuba

and for the defence of the rights of nations to self-determination which is to be held in Montevideo on the 2nd-4th of April, 1965.

Among those who signed the appeal were senators, deputies, former members of the government, leaders of trade unions, writers, sculptors, artists and others.

Law in the Building of Socialism

DEAR Sir,

I have read with great interest the article which appeared in the last edition of "The Spark", January 22nd, but I cannot understand why the writer who obviously must be a sincere socialist would wish to remain anonymous.

I am sure other readers of "The Spark" are eager as myself to know who wrote the article.

Yours sincerely,
Emmanuel Fetsch

Law in a Changing Society

This article is based on a public address by Mr. D. N. Pritt, Q.C. at the Law School, Accra.

IT is a platitude to say that society is changing—probably faster and more fundamentally today than ever before—in the great majority of countries, and certainly in Ghana. This is in truth a most exciting period in which to live.

Law, as part—an important part—of Society, has to change with Society, and so do lawyers. It is part of the problems of to-day that Law and lawyers have in general been less ready to change or accept change than they should be. This is a defect which they must cure.

In Ghana we have a dual change to face; firstly, Ghana has made the first and most important step away from being ruled by the British in the interests of the British, with British machinery and methods of government; it is politically independent, governing itself with all the independence that existing economic ties permit, and able as and when it will to adopt its own machinery and methods; and secondly it has decided upon, and begun to embark on, the great change from a capitalist or capitalist-statellite society to a Socialist one.

Law and lawyers have to adjust themselves to both these changes. They have been closely linked with the old

system. Law has of course been, ever since states began, an instrument of government, and government means government by the ruling class in the interests of the ruling class—perhaps, to be generous, one could say: in the interest which the ruling class sincerely holds to be those of all. (And bear in mind that since classes began until 1917, every ruling class was always a small minority). Law and lawyers have of course always claimed to be serving justice, and to be maintaining law and order; in a substantial sense their claim has been right for all depends on whose justice, and whose law and order, prevail. These are not absolute conceptions, but derive from the generally accepted views of the community, i.e. the views held and maintained and imposed by the ruling class. All through the history of states, the Law and the lawyers have maintained at the respective periods:

the justice of killing prisoners of war at periods when there was no economic advantage in keeping them alive;

the justice of slave holding and slave trading when that was economically profitable and was maintained by the ruling class;

the justice of the exploitation of man by man (still held in most of the globe).

the justice of one nation ruling by force in its own interests and in accordance with its own conceptions of the people of other nations against the will of the latter;

(for a period and in some

countries) the justice of working men and women to death for profit in Auschwitz and other places;

(for a period and in one or two countries) the justice of restoring the criminal monopoly capitalists, who stood behind Auschwitz and drew profits from it, to their freedom, power, and possessions; and all the measures for maintaining the various types of "law and order" that served those types of justice.

(Remember that all the time the lawyers may have been sincere, and unconscious of any evil, in all these successive changes of attitude, for they have always—being part of the machinery of government—been fully imbued with the outlooks of successive ruling classes.)

TRUE FACE

A crude illustration, showing how at times a ruling class has shown its true face nakedly, is to be found in the legislation of some of the English parliaments of the eighteenth century; consisting overwhelmingly of landlords, they passed long strings of Acts giving ever more and more (and more one-sided) advantages to landlords over their tenants; in addition to what the common law, built up by much the same people, already gave them. (This led Bernard Shaw to declare that if those parliaments had been composed of literary men, there would to-day have been only a legally limited number of copies of the works of Shakespeare, and these not for sale but for hire at a high rent).

It is not surprising that lawyers and indeed the law itself have at all time and everywhere been unpopular with the masses; illustrations:

(I) it will be remembered that in the rather few, if glorious peasants revolts in England the demands of the rebels have always included an express demand that all lawyers be killed.

(II) When I first went to the Soviet Union in 1932, I was asked what was my occupation, and I replied: "Advocate". I was at once advised in a friendly way that it would be wiser to say "Jurist", as advocates had not yet recovered from deep hatred their Tsarist predecessors had earned. Some years later, on another visit, I asked what the position now was, and received the answer: "Oh! You can say freely that you are an advocate; our lawyers have now fully established a good reputation as loyal servants of the people, the new ruling class."

Now, to-day in Ghana, Law and lawyers have to make, and in part at least have begun to make, the necessary changes in themselves. It is necessarily a slow process; but the quicker the better. And of course it has to be a double change.

What is the position as to the Law? Whether it be common law or statute, it is still basically and even very largely in detail, English or British. (It is not clear whether one should say "British" or "English", for the British brought it here and imposed it, but is not British law but English, since Scotland has a different system of law from England).

There is as yet in Ghana not a great volume of modification in the Law, nor even in its outlook.

Illustration: to see how strongly English conceptions of Law were imposed on nearly all colonial territories, consider how landholding systems were dealt with. In almost every African or Asian territory colonised, there were collectivised land systems:—tribe, family, stool or others—and in almost every territory the British installed in their place individual systems of holding plus "Crown Lands Acts" aiming to vest property in the British colonial government. (You will know better than I what failure they met with in the Gold Coast). Nor did the British do this just because the individual system was the one they knew and understood; they did it because it made it much easier to tax the people, to acquire indisputable title to all the land any of the "settlers" wanted, and to develop large farms or extractive industries.

(Once again, we do not need to say that the British system was consciously evil, whatever we think of its results for the indigenous peoples; it was "just" in the conception of the ruling class).

What is important to say of all the English law still in force today is that it is not Ghanaian, and that the people of Ghana will in due course and from time to time make up their minds what law is suitable to the economy and the ideology of their country, and enact it. Should they retain and apply some parts of the English law because it happens to suit them, that is entirely their business, it involves sacrifice of principle or

independence. They may well, for example continue to drive on the left).

These legislative changes form an important part, but not the whole, of the changes that must take place in the outlook and training of the lawyers and the lawyers must play an important and progressive part in them. Let me come back to the other part of Ghana's dual change, the transition to Socialism. The Law and the lawyers have much to do there too.

The law must change in order to reflect the outlook of, and to answer to the interests of, the developing socialist state and the gradually developing fundamental difference of outlook of the new majority ruling class in that Socialist state.

A priori, one would think that these necessary changes in the Law were not merely vitally important but were also very urgent. But it is curious that one Socialist state after another in Europe has changed the structure of its legislation comparatively slowly, patching Socialist concepts on to old bourgeois furniture, so to speak; but I do not want to discourage Ghanaian lawyers and Socialists from getting on with their job as quickly as they can. And note well that, in legislative matters as fundamental as the "Fundamental Law", i.e. the Constitution, the U.S.S.R. e.g. as far back as 1936 was putting the matter with great clarity: see the magnificent provisions in Acts 118 to 129 and 130 to 133 of the Constitution, wherein were proclaimed (a) the rights of Soviet Citizens to:

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Currency Crisis in the West

THE imperialist scramble for world domination is usually marked by a struggle for financial supremacy, for monetary policy is one of the heavy weapons of the imperialist countries in their drive for expansion—a weapon they use to strangle their rivals and extend their spheres of influence.

In the struggle for monetary supremacy, an imperialist country invariably uses its political and economic power to establish a monetary bloc in which its own currency is made to take a leading position while the currencies of its colonies and dependencies as well as other states associated with it are reduced to a subordinate status.

It has to link the currencies of the monetary bloc members with its own and at the same time to make them keep their gold and foreign exchange reserves in its central bank to be used by them for "unlimited buying and selling" on the foreign exchange market at fixed rates. Consequently, its commodity and capital exports will not have to suffer from the fluctuation of the currencies of the monetary bloc members and it will not have to pay more for raw material imports because of the devaluation of its own currency.

Moreover, since the gold and foreign exchange reserves of its monetary bloc members are deposited in its own central bank, and this leads to the formation of a financial centre within its own sphere of influence over which it is able to establish its financial supremacy. That is why currency warfare in capitalist international finance is an important means in the imperialist scramble for markets, outlets, for investment and sources for raw materials, as well as an indispensable factor in their constant redivision of the capitalist world.

THE MONETARY SYSTEM CRISIS SHARPENED

The deepening of the general crisis of capitalism especially the emergence of the crisis in the capitalist monetary system, has intensified the monetary warfare among the imperialist powers. As a result of the world economic crisis of 1929-33, normal financial relations among the capitalist countries were disrupted as never before; the gold standard completely collapsed and the monetary system of the capitalist countries became chronically unstable.

From that time onwards, in their efforts to maintain currency stability and to ward off the crisis in the monetary system, monopoly capitalist groups in the imperialist countries were compelled to resort to government intervention on a larger scale than before and adopt such measures in the field of international finance as moratoria on foreign debts, currency depreciation, foreign exchange restrictions and controls etc., in order to consolidate their position in the bitter struggle for markets and spheres of influence. However, all these steps, which were designed to shift the crisis on to others, failed to extricate the imperialists from their plight, but instead made the struggle still sharper and more complicated.

Following the end of World War II, as a result of the formation of the socialist camp and the upsurge of the national liberation movement the areas dominated or exploited by the imperialist countries have become smaller and smaller. In this predicament, the inter-imperialist struggle for markets and spheres of influence has become more acute and currency has been used on a still larger scale as an instrument in defeating their adversaries. Not only have they subjected the currencies of their colonies and dependencies to their own as in the past; they have also exerted great efforts to make their own currency the dominant one within the shrinking imperialist camp. At the same time, the deepening of the general crisis of capitalism has been accompanied by an intensified crisis in the monetary

system and the imperialist countries have been forced to take further steps to intervene in various forms in the field of international finance. However, whether they are taken by the strong to bully the weak or the weak to counteract an adversary's pressure, these steps are bound to aggravate the imperialist monetary struggle and make it more severe than was the case before World War II.

DOMINATION Vs INDEPENDENCE

The characteristic of post-war inter-imperialist relations is that U.S. imperialism has increasingly endeavoured to consolidate and extend its dominant position while the other imperialist powers refused to reconcile themselves to U.S. control from which they have done all they can to free themselves. This rivalry between U.S. imperialism and the other imperialist powers struggle between domination and independence—is also reflected in capitalist world finance.

During World War II, U.S. imperialism amassed enormous wealth and greatly expanded its productive capacity and export trade. In the early post-war years, Washington took advantage of the temporary disappearance of the three fascist countries, Germany, Italy and Japan from the capitalist world arena of competition and of the heavy destruction suffered by the two old imperialist powers, Britain and France; it went all out for economic expansion abroad and consequently had a huge surplus in its balance of international payments and piled up vast gold reserves. In 1938 the U.S. gold reserves amounted to \$14,594 million or 56.1 per cent of the gold reserves of the capitalist world. In 1948, they jumped to \$24,399 million, or 70.3 per cent of the capitalist world's total. During this period, the other capitalist countries incurred huge deficits in their international accounts with the United States, resulting in a serious "dollar shortage" and massive gold outflows to the United States.

In the decade between 1938 and 1948, the gold reserves of Britain, the sterling area and the West European countries dropped from \$9,511 million to \$5,707 million, and their share of the capitalist world's gold reserves fell from 36.6 per cent to 16.4 per cent. At that time, the disruption of domestic production, the heavy increases in budgetary deficits and the impact of deficits in the balance of international payments brought about serious currency depreciation in most of the capitalist countries except the United States. Under these circumstances, the governments of these countries were constrained to their foreign exchange restrictions and controls to achieve and to stabilize the value of their currencies by artificial means. The result was that their currencies became "soft", i.e., could not be freely converted into other foreign currencies, they were in no position to compete with the dollar, a hard currency which was freely convertible.

SHIFT IN ECONOMIC POWER

This shift in economic power was much to the advantage

of U.S. imperialism in its greedy bid for world leadership. It has made every effort to form a big dollar bloc to dovetail plan to build an unprecedentedly big empire in the dentedly big empire in the world. In addition to adopting political military, economic and other measures, U.S. imperialism, in order to fulfill this grandiose plan, must take the following steps in the monetary field. On the one hand, it needs to consolidate the external value of the dollar and maintain its "free convertibility" so that fixed exchange rates between the dollar and other currencies can be preserved, and the dollar can have the same status as gold in the capitalist world's currency reserves.

This would provide favourable conditions for New York to become the capitalist world's sole international financial centre.

On the other measures both at home and in the currency blocs, they control in order to check economic penetration by their competitors. U.S. imperialism therefore found it necessary to do the utmost to intervene in their international financial policies and foreign exchange systems, thus enabling it to maintain normal trade relations with them and paying the way for its further economic expansion.

In effect, this U.S. imperialist rapid plan is nothing but a refurbished version of the currency blocs established by Britain, France and other old imperialist powers in their colonies and spheres of influence. But in order to ward off the strong opposition of other imperialists, the United States had to resort to more covert and slyer tactics in pushing forward this plan in the capitalist world.

PRICE OF GOLD KEPT DOWN

In the first place, relying on its substantial gold reserves, U.S. imperialism artificially kept down the price of gold in its dealings with other governments or their central banks. It is common knowledge that as early as 1934 the U.S. Government prescribed the external value of the dollar, i.e., the parity between the dollar and gold, at \$35 an ounce. But since the latter part of the 1930s and particularly since World War II, the value of the dollar has been frequently devalued internally because of inflation. In 1948, the purchasing power of the dollar was only 57.8 per cent of what it was in 1939. In 1963 it further dropped to 44 per cent. In order to stabilize the external value of the dollar by artificial means, the U.S. Government, irrespective of the frequent devaluation of the dollar internally, has always exchanged it for gold at the official rate of \$35 per cent ounce in its dealings with other countries. And so the external value of the dollar has long been out of tune with the extent of its internal devaluation while the price of gold has been greatly kept down.

Other capitalist countries were then suffering from a widespread "dollar shortage" and they virtually had very little or no dollars with which to buy U.S. gold. Therefore, keeping the price of gold down actually meant compelling other capitalist countries to sell gold cheaply to the United States in order to make good their huge dollar deficits. This increased the surplus in the U.S. balance of international payments and gave it the opportunity to rake in gold at a low price of gold to relieve their "dollar shortage". And this also became

a pressure under which they had to accept the Marshall Plan and other types of "aid," and thus subject themselves to enslavement by U.S. imperialism.

Another major aim of U.S. imperialism in keeping down the price of gold is to arrogate the same role as gold to the dollar, whose external value was artificially stabilized, in serving as a world currency. Since the currencies of most other capitalist countries were unstable and their foreign exchange reserves along with and in preference to pound sterling. This facilitated U.S. imperialism's control of their currencies in one way or another and its becoming the biggest international exploiter in capitalist world finance.

WASHINGTON'S BUILDING TACTICS

In the second place, in the early post-war years, Washington spread such false ideas as "the elimination of foreign exchange control," "the stabilization of exchange rates," and "avoidance of competitive currency depreciation." These were designed to compel other countries to abandon their foreign exchange restrictions and controls, and relatively stabilize their exchange rates in a way advantageous to the United States. It pushed this policy in order to ensure that the proceeds of America commodity exports and the remittance to the United States of profits from overseas investment may be protected from other countries foreign exchange restrictions.

It is true that U.S. imperialism, at least on the surface, has not imposed downright control over the currencies of its "allies." In reality, however, it did all it could to achieve this purpose by bullying tactics and cajolement. As mentioned above, Washington compelled the recipients of its "aid" to accept such terms as the introduction of free convertibility within a certain period of time and the scrapping of their foreign exchange controls and restrictions.

A notable example of this took place when Britain received a big U.S. loan amounting to \$3,750 million in 1945 and two years later was compelled to introduce free convertibility for the pound sterling, which lasted for only five weeks. Of greater importance is the fact that the International Monetary Fund set up in the early post-war years, a major instrument of U.S. imperialism in the international monetary field—dangled the bait of short-term loans before member states in order to induce them to accept conditions involving the loss of national sovereignty. These included the abolition of foreign exchange controls and restrictions, the definition of the foreign exchange value of a currency in terms of the dollar containing a specific weight of gold and the obligation to obtain the fund's agreement to specific changes in foreign exchange rates.

STRUGGLE BETWEEN DOLLAR AND POUND

All these measures were naturally resented by other imperialist powers. However, West Germany and Japan were then dominated by Washington, and it was on the basis of formulas prepared by the U.S. Government that the exchange rates for the West German mark and the Japanese yen were established. Inflation of considerably serious proportions and a rapid deterioration in the balance of international payments overtook France and Italy; the franc and the lira were frequently devalued; it was difficult for them to compete with the dollar. Only the pound sterling could initiate limited counter-offensives

against it. Although Britain's power has declined since World War II, it still has the backing of the sterling area in international finance, the pound remains the reserve currency of sterling area countries and a number of other capitalist countries and the world network of overseas banks, which was set up by Britain in the last century, retains considerable influence. In these circumstances, the struggle between the dollar and the pound was naturally the most prominent one in the imperialist currency warfare.

The comprehensive system of foreign exchange restrictions and controls set up by Britain in the sterling area was a powerful fulcrum strengthening British imperialist exploitation of the Commonwealth countries and checking U.S. economic penetration. And it was a serious handicap to U.S. imperialist expansion in the capitalist world.

In the first few years since World War II, by means of loans, "aid" and pressure by different U.S.-controlled international organisations, Washington devised every possible means to compel Britain to open the door to the sterling area and restore the free convertibility of the pound so as to pave the way for the control of the whole sterling area, including Britain itself. For a time British imperialism refused to take orders from Washington and adopted delaying tactics. But in 1949 the pound was devalued by 30.5 per cent against the dollar, followed by a corresponding currency devaluation by 35 other capitalist countries—to a large extent the result of pressure from Washington.

Nevertheless, Britain and other imperialist powers, wherever possible, dealt Washington's high-handed policy a rebuff. The sterling area and the currency blocs of other imperialist countries—such as the franc bloc—clung stubbornly to their spheres of influence. Moreover, on the question of the price of gold, because gold produced in the sterling area makes up more than 70 per cent of the total annual production of the capitalist world, Britain and South Africa have more than once battled for a rise in the gold price as a counter-measure to U.S. control. They eventually succeeded in wresting some concessions from Washington and were permitted to sell their gold for industrial purpose on the free market at a higher price than the official U.S. price of \$35 per ounce. The International Monetary Funds demand for the abolition of foreign exchange controls and for the institution of a fixed parity between the dollar and other currencies were ignored by many countries. France and Italy, for instance, did not institute fixed exchange rates until the mid-1950s. This shows that despite Washington's desperate efforts to put the capitalist world's monetary system under its control other imperialist powers have been unwilling to accept permanent subordination, they have exerted every effort to free themselves from the claws of the dollar. With the shift in the balance of forces between the United States and other imperialist powers, both Washington's efforts at domination in the monetary field and the other imperialist's resistance are growing more intense.

NO MORE DOLLAR DOMINANCE

With the advent of the 1950s and the aggravation of the uneven development of capitalism, new changes have taken place in the balance of forces among the imperialist countries. Propped up by the United States, West Germany, Italy and Japan have recovered from their position as defeated countries. The power

of France has steadily increased, enabling it gradually to speak on equal terms with the United States. Although it keeps getting weaker, Britain too has no desire to be at the mercy of Washington. U.S. dominance, which was attained during and immediately after World War II, has begun to falter.

This shift in the balance of forces which is unfavourable to U.S. imperialism is also reflected in international finance. After the war of aggression against Korea broke out in 1950, deficits began to appear in the U.S. balance of payments and outflow of gold started, because its policies of war and aggression made it increasingly difficult for its trade surplus and proceeds from overseas investment to meet its huge military expenditures, foreign "aid" commitments and private capital export.

A similar situation recurred during U.S. economic crisis of 1953-54. After 1956, taking advantage of the Anglo-French aggression against Egypt, the United States sold a large amount of oil and cotton to Western Europe, and this helped to bring about a turn for the better in the U.S. balance of payments. However, from 1950 to 1957, the U.S. goldflow to other countries amounted to \$1,700 million. Added to this were mounting short-term debts, and the annual rate of deficit in its balance of payments averaged about \$1,200 million. During the same period the gold reserves of other capitalist countries increased by \$3,700 million and their dollar reserves by \$6,400 million. By the 1950s, the widespread "dollar shortage" of the early postwar years had virtually become a thing of the past.

A NEW STATE

After 1958, a new state was reached in the struggle between the United States and other imperialist powers to strengthen their respective positions in world finance. On the one hand, as a result of its intensified policies of war and aggression, U.S. imperialism had to spend on an average more than \$10,000 million a year for its overseas military expenditures, foreign "aid" and private capital export. This led to an increasingly serious dollar crisis which was

manifested in the form of balance of payment deficits and of gold outflows. The dollar crisis and the recurrent economic crisis erupted either simultaneously or alternately.

Whatever methods it uses, it is impossible for U.S. imperialism to prevent a continual deterioration in the position of the dollar. On the other hand, with the rapid growth in their political and economic power, the tremendous improvement in their balance of payment and the big increase in their gold reserves, other major capitalist countries and particularly several of the Common Market Six with France and West Germany as their nucleus, were able greatly to strengthen their currencies on the international finance market. From 1958 to 1962 the gold flowing from the United States to other countries totalled \$6,800 million. These rises in the short-term debts owed to other countries made for an average annual rate of deficits of about \$3,000 million from 1950 to 1957. At the same time, the increase in the gold reserves of other capitalist countries amounted to \$8,700 million. If increases in foreign exchange holdings are added to this, the total increase in their gold and foreign exchange reserves during the period was \$14,500 million. Most of these increases went to West European countries. France's increases amounted to \$3,400 million, Italy's \$2,200 million and West Germany's \$1,700 million. Next came Britain, the Netherlands and Belgium.

DOLLAR CRISIS—INCURABLE DISEASE

By 1963, the incurable disease of the dollar crisis remained serious. The deficit in the U.S. balance of payments in that year still stood at \$3,000 million. At the end of December, its gold and foreign exchange reserves totalled \$32,179 million, of which gold accounted for \$19,790 million, or 47 per cent of the capitalist world's total. Thus U.S. gold reserves are far below their pre-war level while those of the West European countries are far above it.

by Hsiang Chung

A VALUABLE BOOKLET

Some Essential Features of Nkrumalism

The Spark Publications, Accra and Lawrence & Wishart.

THIS compilation of articles from "THE SPARK", founded by Kwame Nkrumah two years ago to deal with theoretical problems of the African revolution, presents in a concise form the main principles which are guiding Ghana's advance to socialism.

Basing himself on the Marxist analysis of imperialism and its theories of social change, Kwame Nkrumah has applied these principles to the successive stages of the struggle for Ghana's freedom and for African Unity.

The articles deal with the nature of imperialism and the struggle against it; the nature of political power and the necessary transformation by newly independent African countries of the State inherited from colonialism; the stages from national economic reconstruction to the building of socialism and the basis on which African unity must be built.

This is an extraordinary valuable booklet which will serve as a textbook for the anti-imperialist, and socialist movements throughout Africa, and will be of interest to all who want to understand the special features of the African revolution.

—Emile Burns.

The Co-Operative Movement

(2)

IN the process of socialist reconstruction of agriculture a considerable change in the pattern of agricultural output was obtained. Areas under industrial crops, vegetables, vineyards, orchards and tobacco were considerably increased. Owing to these changes in the crop pattern, the effectiveness in the utilization of the land, manpower and all other means of production was greatly enhanced.

Conditions were created in socialist agriculture for the extensive application of the achievements of present-day agricultural science. The People's Government trained highly qualified agronomists, zootechnicians, veterinary surgeons, engineers and so on. While under the bourgeois régime barely 1,771 university-trained agricultural specialists had been prepared, and in only two specialties at that—agronomists and veterinary surgeons—in the years of people's rule, up to the end of 1963, the number of agricultural specialists with university training reached 13,350.

Today specialists are trained at the universities in many fields, corresponding to the needs of agricultural output, and its steadily intensifying specialization: in crop growing, seed production, viticulture and market gardening, plant protection, irrigated farming, veterinary medicine, zoo-technics, the economy and organization of agriculture and the mechanization and electrification of farming.

A system of research institutes has been set up in which hundreds of associates work on the problems of agriculture.

All the measures on creating the material and technical base of agriculture, introducing more effective technologies and organization of production, on creating highly skilled agricultural cadres, the extensive introduction of science and front ranking experience in the state and co-operative farms, which indicate the intensive development of our agriculture, have led to a considerable increase in yields and general agricultural production.

The average yields of wheat per hectare in 1962 was 1,668 kg. as against 1,310 kg. in 1939; of maize—2,367 kg. as against 1,358 kg.; of sunflower—1,312 kg. as against 960 kg.; of tomatoes—30,320 kg. as against 20,490 kg.

COMPARISON

In comparison with the pre-war level, in 1962 yields of crop growing increased by 88.3 per cent. In comparison with average annual yields in 1934-39, in 1958-61 yields were: 13.8 times more tomatoes, 9.9 times more sugar beet, 2.1 times more tobacco, (Oriental), 1.9 times more sunflower, 2.1 times more cotton, and so on.

The number and productivity of farm animals increased. In comparison with 1939, output of meat in 1962 increased by 64.2 per cent; of milk—by 63.3 per cent; of wool—by 78.2 per cent, and of eggs—by 77.0 per cent. While in 1939 the average milk yield per fodder fed cow was 450 litres, in 1961 an average of 1,797 litres or four times more, was obtained from every cow on a co-operative farm, and 2,235 litres, or over five times more, from every cow on a state farm. This made it possible to improve supplies of animal products for the population. In 1952 consumption of meat per head of the population was 21.3 kg., while in 1962 it rose to 35.7 kg.; that of milk and milk products, calculated in milk respectively, rose from 80 to 90 litres.

Increased agricultural output has led to an increase in the income of the co-operative farms and farmers. The average annual income of an able-bodied co-operative farmer for 1963 amounts to 601.30 leva, as against 404.20 leva in 1957. The savings accounts of the peasants have risen from 107 million leva in 1957 to 335.5 million leva in 1962, or have more than trebled.

The co-operative system has

radically changed the life of the peasants who have set out along the road to socialism. The relations of exploitation, of economic mastery and submission have disappeared in the countryside. The co-operative farmers are free full-fledged workers for socialism, linked to one another by relations of comradely co-operation and mutual assistance.

The Bulgarian peasants who, second after the Soviet Union, won the great battle for the triumph of socialism in the countryside, under the leadership of the Party and in alliance with the working class, are now full masters of their land and their labour. Socialism has secured not only high living standards for our peasants, but has also raised their culture to a high level, and changed their consciousness.

The Eighth Congress of the Party (1962) mapped out a new programme for a still greater growth of agricultural output. In accordance with the main economic task—that of completing the construction of the material and technical base of socialism and gradually passing on to the accelerated construction of the material and technical base of communism—the Congress approved intensification as the main trend in the development of agriculture. The trend is dictated by the country's natural and economic conditions, by the necessity of extensively applying technical progress and science, of achieving a steady increase in agricultural production at reduced production costs.

In order to meet the country's growing needs of foods and raw materials during the period of the general long-term programme, agriculture, developing along the road of intensification, is expected to increase its output by about 2.5 times by 1980 in comparison with 1960. In accordance with the task set of securing rational feeding of the population in the entire period, stockbreeding should develop at faster rates than crop growing. In 1980 the share of products of animal origin in total agricultural production should reach 39 to 40 per cent, as against 32.7 per cent in 1960.

Yields, about 1980, should reach the following figures: of wheat—2,700 to 2,800 kg. ha, of maize, at least 5,000 kg. and of sunflower between 1,700 and 1,800 kg., of tobacco—about 1,000 to 1,100 kg., of tomatoes—32,000 to 33,000 kg., and so on.

LABOUR PRODUCTIVITY

Labour productivity in agriculture should increase about five times by 1980. This is an imposing programme for the flourishing of agriculture in our country.

Of course, the Central Committee of the Bulgarian Communist Party are well aware that many difficulties will have to be overcome both in implementing the programme in all sectors of the national economy and in the field of agriculture. But there have always

been difficulties in solving such great tasks, so fateful for the people, and they have been overcome.

The programme for the development of the nation's economy up to 1980 including the field of agriculture, reflects the aspirations of our people—to rid themselves for ever of their economic backwardness, to live a well-to-do and cultured life. It embodies their dream and the dream of mankind—the implementation of the programme mapped out by the Eighth Congress of the Bulgarian Communist Party has become a nation-wide cause, which is the greatest pledge for its becoming a living fact. The organizational work of the Bulgarian Communist Party, which has mobilized all the forces of the people and correctly directs the utilization of all the country's resources to this great end, is, of course, and will be of decisive importance in the implementation of the programme for the development of agriculture up to 1980.

The grain problem and the

tion is the other basic factor, on securing which efforts of the Central Committee and the Government are now concentrated. The use of chemical fertilizers in our agriculture under existing mechanization and irrigation is the decisive condition for the rapid increase of agricultural output, and first of all for solving the fundamental problem of agriculture—the gain problem.

QUALITIES OF FERTILIZERS

The further increase of grain production depends on the quantities of fertilizers for wheat, maize and other grain crops. If the co-operative farms receive the necessary amounts of fertilizers, bearing in mind the existing varieties of wheat and maize and the areas now assigned to these crops, they will produce not less than 2,500 to 3,000 kg. of wheat per hectare and not less than 5,000 to 6,000 kg. of maize per ha, and this in fact completely solves both the problem of cereals and that of the output of more animal products.

The Central Committee of the Party and the Government, correctly appraising the tremendous significance of supplying agriculture with chemi-

cal products, have simultaneously proceeded to the realization of an extensive programme for the production of chemical fertilizers and preparations. In the next three or four years double the number of capacities for the production of fertilizers will be going into operation.

A new works is to be built in Pleven for the production of 200,000 tons of liquid ammonia; another in Chiren, Vratsa district, for 350,000 tons of liquid ammonia on the basis of the discovered gas; several works are to be built for chemical preparations. About 1970 our agriculture will have at its disposal some 2,500,000 tons of mineral fertilizers, which means that an average of over 500 kg. per hectare of cultivated land will have been secured.

SCIENTIFIC ORGANISATION

It is not only the existence of sufficient amounts of mechanization, fertilizers and irrigated areas which are of great importance for the successful realization of the programme of the Eighth Congress of the Bulgarian Communist Party for the development of agriculture up to 1980. It is necessary to go still further—to the most correct and scientific organization and technology of production, to the solution of the exceptionally important problem of the concentration and specialization of agricultural production.

Transferring of agricultural branches in conformity with natural and economic conditions creates the prerequisites for a still fuller and more effective utilization of the productive forces and the land. Specialization of agricultural production intensifies the public distribution of labour which on its part, leads to higher labour productivity and bigger output.

The line, mapped out by the Eighth Congress of the Party on the concentration and specialization of output in crop growing is being successfully implemented. Specialization of agricultural output in our country is being introduced with a view to fully meeting the needs of grain and animal products; as well as for the production of sufficient quantities of vegetables, grapes, tobaccos and so on, for which there are favourable conditions in our country.

Specialization of this kind corresponds to the vital interests of the people and of the national economy. It is the spirit of economic co-operation among the socialist countries, members of the Council for mutual Economic Assistance in which we, too, take part.

TOPICAL QUESTION

The most topical question in this field is now the concentration and specialization of animal husbandry. The task is to place it on an industrial basis, by introducing in production all that is newest in world science and the practice of stockbreeding.

In fulfilment of the decisions of the Eighth Congress of the Party, a number of measures for the more rational organization and intensification

of the concentration and specialization of stockbreeding have been implemented in recent years. Owing to this, the aspect of stockbreeding has changed considerably in the last two years. It is now represented by large-scale dairy farms, in most cases specialized, with growing possibilities of increasing output and reducing its cost.

In the Vidin district, for instance, where a considerable amount of work has been done on the concentration and specialization of animal husbandry, pig breeding has been concentrated in 15 inhabited localities instead of 73, as it was in 1961. Poultry breeding is concentrated in 14 inhabited localities, while in 1961 it existed in 59. The dairy farms now are situated in 90 instead of 110 localities as in 1961. All this has made it possible to achieve higher labour productivity in stockbreeding in the district. In pig and poultry breeding it has been doubled, and in dairy farming it is 40 per cent higher as compared with 1961. In this period the production of eggs increased by 2,834,000, and that of milk—by 6,317 tons.

Considerable specialization and concentration of animal husbandry has been achieved in Turgovishte district, in which pig fattening in 1963 had been concentrated on 14 farms, while their number in 1960 was 145, poultry breeding on all farms instead of 131, and cattle breeding on 49 farms instead of 183 up to 1960. Stockbreeding is developing along these lines in the Bourgas, Plovdiv, Silistra Rouse and other districts.

Specialization and concentration of animal husbandry creates, in all circumstances, conditions for the rapid introduction of technical progress in feeding and caring for the animals, as a result of which labour productivity rapidly increases; and so does weight increase in fattening pigs and poultry; the laying capacity of hens is also increased, expenditure of forage per unit of output is reduced, production costs also go down and, from being unprofitable, this branch of farming becomes profitable.

ANIMAL HUSBANDRY

When one analyses the work done so far on concentrating and specializing animal husbandry in our country and takes world experience into consideration, pig-fattening farms with a capacity of fattening between about 30,000 and 50,000 pigs a year appear the most suitable for our conditions. Of course, for the needs of the big centres of consumption—Sofia, Plovdiv and Varna—it would be most rational for pig-fattening farms to have a capacity of fattening between 100,000 and 150,000 pigs a year.

Certain districts have already set out along this road. For instance, in Turgovishte district today two pig-fattening farms are being organized in which public pig fattening for the whole district will be concentrated. A pig-fattening farm of this kind has been set up at Cherven Bryag in Pleven district, and this year another two are to come into being. All three farms will fatten between about 90,000 and 100,000 pigs a year.

The reorganization of poultry farming is taking place along the same lines. On most co-operative farms poultry breeding does not give satisfactory results. It is not placed on a modern industrial and scientific basis. Yet there is no other branch which lends itself better to industrialization. Scientific achievements in the science and practice of poultry breeding make it possible to obtain the most inexpensive meat and eggs from this

branch. However, this can only be achieved on the basis of large-scale fowl-factories, hybrid fowls and the industrial production of feed.

Steps are being taken in Bulgaria to utilize world experience and to place poultry breeding on an industrial basis by utilizing the hybrid effect in fowls in order to increase laying capacity and to produce inexpensive chicken meat.

Another important problem, which the Central Committee of the Party has set for solution within the next year or two, and which most directly affects agriculture, is the creation of a new and more perfect system of planning and management of the national economy, which would stimulate the drive for more and less expensive agricultural output.

MATERIAL AND TECHNICAL BASE

The material and technical base, which has been created, machines, irrigated areas, fertilizers, farm buildings—as well as the specialization and enlargement of production, etc., has created the possibility of steadily increasing labour productivity, yields and the incomes of the co-operative farmers.

However, these possibilities can only be utilized if shortcomings in the planning and organization of production are done away with and if the responsibility, and material incentive of the managements of the state and co-operative farms, and of the co-operative farmers and agricultural workers are heightened. It is precisely these conditions which find a solution in the new system of planning, which is founded on cost accounting and a heightening of the material incentive of the producers. In this way the necessary favourable prerequisites for the most rational utilization of the land and the other means of production in agriculture, and for drafting real and the most expeditious yearly and long-term plans, will be created. All this will do much to reduce and do away with the existing disproportion in the farms, to improve the organization of output, to discover and utilize resources, and secure a proper increase and diminish in cost.

The Central Committee decided to have the new system of planning applied to agriculture in five districts of the country in 1964. Experience will show what has still to be done, in order to achieve greater effectiveness in agricultural output. It is, however, already apparent that the new system of planning creates greater activity and interest in the work of the co-operative farmers, and that supervision and management of output have improved.

From the triumph of September 9, 1944, to the present day the hardworking peasants have travelled a glorious road in the development and consolidation of agriculture. They have achieved historical triumphs and unprecedented successes.

Led by the Party, they have realized Lenin's great plan of attracting the peasants to science and progress. In the wonderful co-operative system of the Bulgarian countryside, Lenin's co-operative plan has again found thorough confirmation, his thoughts as a genius for the prosperity, happiness and future of the hardworking peasants along the road of socialism and communism have once more victoriously triumphed.

The Socialist Revolution in Africa (7)

NOW that the struggle for political independence has been won in so many African countries, they face the next stage in the battle to make sure that the economic and cultural fruits of their recent victory will be won and enjoyed.

The reconstruction and development of any society today can be achieved only through socialism. Imperialism, the last stage of capitalism, because of its parasitic nature precludes the very conditions, which makes it possible for new countries to accumulate in the old traditional way followed by the established capitalist countries. The most modern means of production develop social labour on an ever increasing scale. To ensure their fullest development and the fullest benefit for the real producers of the wealth namely the working people, we must have real social ownership. Thus productive forces and production relations will be in harmony.

The demand for socialism therefore in the newly independent states is not the result of some personal whim of the leaders of the liberation movements. It is the recognition that political independence can only be safeguarded and the well being of the people guaranteed, by a complete break with capitalism. Up to now these countries have occupied a subordinate, exploited position, and this will continue unless their economic relationships internally end externally are transformed. Capitalism in its monopoly stage by its rapacious and parasitic domination of the world capitalist system is by its very nature unable to allow the further development of capitalist countries under the terms of 'free competition' which operated for a period in 18th and 19th century Europe.

REAL INDEPENDENCE

Not only is it objectively necessary therefore for socialism to be constructed as a further development of real independence, but now the age-old dream of men who wanted socialism, who wanted to see an end to exploitation and the injustices of the class society which arise from it, is being realised. In a period of the expansion of a new and juster economic and social system, newly developing countries will join that stream of growth or relapse into new forms of colonialism and poverty like so many of the South American and Asian states which won their political independence before the emergence of the socialist world system or before the forces in their country were ripe for the winning of socialism in their own land.

The combination of the dream of socialism with the laws of social development discovered by Marx, have made it possible for the rapid achievement and advance of socialism all over the world. For those of us who are still faced with the task of constructing socialism-as we are in African countries, it is important to decide what socialism is and what it is not. There are all kinds of brands claiming to be the real thing and all kinds of definition are coined which lead merely to greater confusion. This article therefore will attempt a definition of socialism and some of the features and conditions essential for its realisation.

The first attempt at planning was launched by the first socialist state; it is a vital, indeed a basic feature of the socialist economy, but the launching of a plan does not necessarily mean that a country is socialist. Indeed since the sneers at the five year plans of the Soviet Union have now faded into oblivion, since Lenin was called a

"dreamer in the Kremlin" because he believed it was possible to construct socialism out of the ruins of the old Tsarist regime, planning has been adopted in one form or another in most countries. Sometimes the plans are all embracing as in the Socialist countries and those setting out to construct it. In other cases as in France or Britain and in some African States even, they constitute the aspirations of the capitalist class merely and are devices to try and ensure economic controls over the mass of the people.

Other definitions of socialism embrace the ideal of the mixed economy. Of course Ghana's is a mixed economy today because it is in a stage of transition. The aim of a mixed economy as such with no further development has nothing in common with socialism as it is put forward by some people who claim to be members of the socialist movement. The British Labour Party favours a mixed economy. In practice this works out as the state ownership of bankrupt industries

We continue the series of articles on the socialist Revolution in Africa. The aim of the whole series is to demonstrate the relationship between the Socialist Revolution in Africa and the general world-wide advance of mankind towards full emancipation. We aim to show that full freedom in Africa as anywhere else in the world can only be realised through getting rid of exploitation and by creating a new society based on the common ownership of the resources of the nation. Pan-Africanism itself is part of the socialist revolution; it is based on the irresistible demand of the peoples of Africa for a new developing prosperous way of life which can be realised only through socialism. We have dealt with the nature of imperialism, its characteristic features and its different forms. We have shown how this system is in crisis and what possibilities this situation holds out for the strategy and tactics of the anti-imperialist forces. The problems of national liberation and the relation of this to nationalism, and the fight for socialism will now be discussed and we shall endeavour to show that the very concept of liberation and Pan-Africanism involves the whole question of the reconstruction of African society, on the basis of socialism which is an economic and social system with common basic features wherever it exists or is being built. A guide in the exploration of these essential ideas is Nkrumahism which brilliantly demonstrates the basic validity of scientific socialism everywhere and which creatively applies its basic principles to the particular and special problems of Africa.

or service industries which with the taxpayers' money are modernised, pay compensation to former owners which are a drain on the industry, and then provide cheap services like transport, coal, electricity, and gas to the modern monopoly industries, and expensive services to the ordinary domestic or private consumer.

MIXED ECONOMY

The mixed economy in real life, envisaged as a permanent economic form operates in the interests of the capitalists. It is often recommended by those sections of the working class movement in Europe who have forgotten, if they ever knew, what socialism was and are ready to settle for a compromise with capitalism. They propound the theory claiming that it is modern and democratic, though they seem to overlook that Bismarck in Germany in the interests of the militarised Prussian state nationalised the railways in the 19th century and one could scarcely accuse him of being a socialist! We have to see socialism as a historic stage between capitalism and Communism. It is what the fathers of Scientific Socialism Marx and Engels defined as "the lower stage of Communism" and it has to play a vital role in overcoming the material shortages inherited from capitalism and morality and outlook in the minds of men and women which capitalism has produced.

Its basic economic feature is the social ownership of the means of production, distribution and exchange. This form of ownership by the society as a whole makes it possible for the economy to develop in a planned systematic way in the interests of the working

people, who, under socialism constitute the vast majority because there exists no class as such, of owners of the means of production.

OWNERSHIP AND POLITICAL CONTROL

However, it is not planning alone which determines the aim of production but ownership and above all political control and leadership of the state. For this reason merely economic definitions of socialism are inadequate because the building of socialism can be guaranteed in the long run only when the working people, workers, farmers, professional workers constitute the rulers of the country. They as the new rulers control all the apparatus of the state, especially the law, the law courts, the police and the armed forces. They, and only those who are firmly identified in action and ideology with the aims of the working people should be in control. Only through this political control can we be certain that the economic aims of society operate in a

socialist direction. Control in the hands of the capitalist class or those sections sympathetic with them will always ensure that the economy remains mixed and that the state owned section will merely serve the interests of the capitalist sections. The character of the state is therefore vitally important and the working people must transform the state into an instrument which they are able to use in the construction of socialism.

The basic law of capitalism has been described as the drive for the maximum profit through the exploitation and impoverishment of the mass of the people; socialism's basic law is the drive to satisfy the ever rising material and cultural needs of the people through social ownership and planned production and distribution.

When a people take the decision to construct socialism they have to face the realities which the immediate past has left them. The newly independent countries face even more acutely than other countries which have faced the task of building socialism, the material shortages, the poverty, the lack of social services and the lack of modern productive resources which characterises a socialist society.

Through socialism the people have the task of reconstructing the economic resources of the country and developing productive forces to the full, applying the most advanced scientific and technological knowledge to the problems of production. Socialism is not an egalitarian society. There is still not enough to go round. The needs of every single person in all spheres cannot be fully satisfied, this can only come with super abundance of material wealth and the distribution of that wealth according to need. This marks the advance to still higher stage namely Communism.

POLITICAL CHARACTER

As the society develops, its political character, too, changes. The old capitalist class, small of course in the new states of Africa will over a period disappear not as individuals of course, but as the owners of means of production, distribution and exchange. They as individuals will find their skills needed in socialist societies. They will find a satisfaction in living in a developing society based on new principles of equality and opportunity and the elimination of exploitation much greater than the enjoyment of wealth extracted from other people's labour. Thus the people as a whole will stand in the same relation to productive forces i.e. owning them in common. The state led initially by the working people who constituted a majority of the people previously, will now be the state of the whole people and by its guarantee of basic freedoms from exploitation, poverty and insecurity extend the whole concept of democracy. It involves the mass of the people not only in political decisions of a limited character but involves them in controlling their economic, political and social destiny.

CULTURAL AND MORAL ROLE

Socialism too has a cultural and moral role to play. During the construction of socialism and the expansion of productivity, the skills of the people and their educational level must rise, otherwise they will be unable to apply the most advanced techniques to production. In other cultural spheres too they develop the opportunities to enjoy their leisure to the full. Education

loses its top-sided character and equips students in both the sciences and the arts, giving a poly-technical education to all boys and girls. In the course of socialist labour, socialist emulation and fraternal assistance and in the enjoyment of the fruits of their labour, the peoples' attitude to work itself changes. In capitalist conditions work is done for subsistence and the worker is robbed of the surplus. Under socialism work benefits the individual and the whole of society too. Work becomes not only a source of fulfilling individual require-

ments but a service to the community. This is a higher morality than can ever be achieved under capitalism because the material conditions and production relations have changed. Thus through labour, through changed production relations man changes himself, eliminating the remnants of capitalist morality from his outlook and behaviour. This is a complex question and not brought about automatically, but it takes place nevertheless through the combination of a changed material basis and conscious effort.

Thus socialism develops

material wealth and man building socialism, changes himself. He is able to pass to a new stage of society in which there will be super-abundance of the necessities of life distributed on the basis of 'each according to his need'. That stage is yet far off for us but the rapid and effective construction of our countries bringing with it inestimable benefits of a new society is nevertheless a preliminary stage to yet more wonderful possibilities. It is a stage of history which will lead us to abundance and equality for everybody.

The 1965 Budget

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contribution of 7½ per cent to the provident fund. Consumers generally contribute through higher import and exercise duties which average about 10 per cent. The higher income groups contribute proportionately more. They have no income tax relief; and in addition, they pay higher purchase tax on luxuries and on petrol.

Industrial capital is freed from more sacrifices this year. This is in keeping with the policy of stimulating output in the productive sector of the country. What one cannot reconcile with this policy, however, is the 6/- in the £ tax on co-operatives. Whereas such a tax on consumer and marketing co-operatives is justifiable, it is difficult to see how a similar tax on producer co-operatives could help boost production.

THE SALES TAX

The Sales Tax (ten per cent ad valorem) collected at wholesale point would have imposed a fair burden of development on merchant capital. Unfortunately, the authorities seem to have acquiesced in the transfer of the whole of this tax to the consumer. As things stand, this sales tax has become yet another purchase tax. Merchant capital has not shared any of the burdens of development. And the consumer is given an extra load which could have been spared him.

The net effect of passing on the sales tax to the consumer is to nullify whatever benefits reduced custom duties on certain items (e.g. babies wear) would have brought.

In addition, and this is even more serious because its effect is more pervasive, the passing on of the sales tax means a rise of 10 per cent in the cost of diesel and fuel oil and lubricants generally. The effect of this is a rise in costs to many industries that use diesel oil e.g. the mines. There is bound to be a rise in transport costs since the operation of diesel lorries and of the railways will tend to rise. The cost of generating electricity in the existing power stations will also go up.

A general rise in cost is a serious handicap to our industries which are trying to reduce cost and to enter the world markets.

The ideal solution to this serious problem would be to make the wholesalers pay the sales tax without passing it on to the customers. This could still be done; and a difficult situation for industrial costs and for cost of living averted. Should this prove too difficult, the authorities should scale up the profits tax (better still impose an excess profits tax) on merchant capital.

The implementation of the new taxes and increases in import and excise duties has brought to light a gaping deficiency in our economic armour. This is in addition to the rather weak price control machinery now in existence.

We have no firm control over stocks of goods held by

the various trading houses and manufacturing enterprises. As a result, the authorities are not in a position to determine which stocks are affected by the rise in import and excise duties. Nor can we say for certain which stocks are not affected. The outcome is that merchants make a windfall on their stocks on hand. When new stocks come on to the market, the duties are passed on in full to the consumer in higher prices.

If we go deep into this problem of the lack of physical control over stocks of goods, it will become clear that incomplete control over imports places the authorities at a disadvantage. At the moment, the G.N.T.C. handles barely 30 per cent of all imports, while the remainder passes through private hands. If the state could enjoy a 100 per cent control in this sphere, there will be a little problem in determining how much stock is held by each firm or enterprise. And to that extent, the government shall have a firmer control over the entire economy.

This plea must not be regarded as a case for state monopoly of wholesale and retail trade, a plea which some reject on the grounds that the state trading agency, G.N.T.C., requires time to develop the requisite trading network and experience. A state monopoly of import trade could exist side by side with the present structure in wholesale and retail trade within the country.

Indeed this position of a monopoly of import trade will soon be forced on the government by the nature of financial assistance obtained overseas. If these credits made available by foreign governments and finance agencies continue to be short and medium term, there will be a growing tendency to use them in financing trade as against financing industrial development. The government will then spend these credits on imports, sell the imports to the existing wholesalers at a profit and then plough the profits into long-term economic projects.

FIRMER CONTROL

The point being emphasised here is that our government needs a firmer control over day to day operations in the national economy. It is the only way to make absolutely certain that resources enter the correct channels, that foreign currency is used to the best advantage and that cost of living is carefully regulated. And to do all this, we need three main controls:

1. an effective price control machinery
2. a firm control over stocks of goods
3. state monopoly of import trade.

Without these controls, our economic and fiscal measures could still be vitiated by the sly activities of private enterprise which has no stake in our national economic life other than profit-making.

One other point of fundamental importance.

The Budget statement and the 1965 Annual Plan issued

by the Office of the Planning Commission, if read together, betray a growing tendency towards laying more emphasis on the private sectors. The Annual Plan 1965 talks of increased "promotional activity" in order to attract foreign capital. The Budget statement complains of the National Investment Bank leaning too much in favour of private enterprises. At p. 13 we read: "The sector distribution of the Bank's loans in the past year has however revealed a strong bias in favour of the private sector."

This tendency to lean more on private enterprise (and capital) is further revealed in the injection of foreign credit finance into non-productive, social services and the infrastructure. Annual Plan for 1965 envisages £2.59 million of credit finance for the social services and £1.39 million for the infrastructure.

All that need be stressed here is that the entry of foreign state finance into the social services and infrastructure is often used by the capitalist countries as a strategy for opening the receiving country's productive sector to private foreign investments. Social services and the infrastructure to some extent are not profit making sectors. In addition, they involve growing recurrent expenditure to maintain. If foreign state capital from the capitalist countries can cajole the indigenous government into spending too much on the social services and infrastructure, then the receiving state shall not have enough funds to operate in the productive sector. Accordingly, this sector is thrown open to private capital (local and, on a bigger scale, foreign). Private enterprise would grow at the expense of state enterprise. And gradually a mixed economy could be made to grow into a fully fledged capitalist society.

This is what has happened to India. And we have to be eternally on guard.

The 1965 budget has again betrayed this tendency of relying much more than usual on foreign money. The 1963/64 financial gap of £47.8 million was financed to the tune of £45.4 million from domestic sources and only £2.4 million from external sources. On the other hand, the 1965 financial gap of £66.1 million is to be financed 55.4 million from external borrowing and only 10.7 million from internal sources. This sudden and dramatic reversal of financial policy calls for serious scrutiny and full explanation.

Clearly, there is both a trend and a conflict in policy. The greater bias for foreign capital is unmistakable. And it should be given second thought.

In addition, there is a conflict in approach to foreign capital between the Ministry of Finance and the Office of the Planning Commission. While the former favours foreign loans and credits (public and private) made to our government, the latter favours direct investment in Ghana by foreign private capital. The second approach is dangerous to our socialist economy and should be encouraged.

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The Forces of the African

by
Jack Woddis

Revolution (5)

THE majority of African traders, to this very day, are still petty traders and part-time traders. In any large African town one can see hundreds, in fact, thousands of small traders—some with a few goods spread on the bare ground, some with a stall, some with a small shop. Kumasi, in Ghana, has 8,000 traders. In the Onitsha covered market, in Nigeria, there are 3,000 shops. The great majority of African traders are very poor, making a few pennies a day, some more fortunate, making a few shillings.

A large number of them are part-time traders, earning a little extra money from their surplus vegetables or from handicrafts. Among them are many women. D. McCall (see "Social Change in Africa", edited by A. Southall, 1961) describes how in Koforidua, Ghana, he counted in the market "nearly 3,000 sellers on a market day. This did not include the numbers of women selling at the various cross-roads and in the streets." He estimates that not less than 70 per cent of the adult female population was engaged in selling.

Some traders sell, locally, others act as wholesalers, buying from the foreign importers and, with the aid of their lorries, selling up country. Some traders in West Africa are also cocoa farmers, who utilise part of their profits from cocoa to launch out into trading, and, conversely, ploughing back some of their trading profits to expand their cocoa production.

From amongst these thousands of African traders a considerable differentiation has taken place. Studies by Peter Garlick of African traders in Kumasi and Accra show that amongst the 150 traders who are the biggest men in Kumasi, a turnover of £5,000 to £20,000 a year was quite common, and a number reached £100,000 a year. Over 60 of these traders (at the time of the enquiry, 1959-60), were doing some direct importing from overseas, and most were employing up to 3 or 4 assistants (often relatives), and some were employing more. An analysis of 251 African traders in Ghana by Garlick shows 6 in the turnover class of £20,000-£25,000 a year, 19 between £25,000 and £50,000, 9 between £50,000 and £75,000, 4 between £75,000 and £100,000, and 6 in the £100,000 to £200,000 class. A further 55 were between £5,000 and £20,000. This means a total of 44 out of 251 who could be classified as rich traders, and a further 55 as middle size.

AFRICAN TRADERS

African traders are also widespread now in East Africa, despite the competition from the Asians who still hold a large share. A Uganda government report shows that in 1953 there were 11,600 African traders. Most of them, however, were poor and probably the bulk were part-time traders. An analysis in 1952 showed that the net annual profit of these Uganda traders was £50 or less. A small minority of course, have more profitable business. Describing the emergence of what he terms a 'kulak' or 'rural exploiter' in Uganda, J. H. Boeke (*International Social Science Bulletin*, 1963) writes:

"They increase their landed property; they change agriculture into a business undertaking based on capital; they enter into share-cropping contracts or farm out their lands; they act as money-lenders and buy up the native market crops; they are traders rather than peasants and shirk manual labour... They are gradually usurping the place of the Indians in retail trade."

In his study on *Road Transport in Nigeria* (1958), E. K. Hawkins says that while foreign transport firms dominate in the freight trade, African firms dominate in passenger traffic and in the carriage of internal trade. The African capitalist, says Hawkins, "has asserted himself, notably in the field of road transport, but also in retail trade, building and contracting." He further notes that "a number of Africans have become prominent" in Nigeria in tyre retreading,

woodworking, the supply of building materials and printing.

Similar developments have been noted in the Ivory Coast, in Senegal and Cameroun. J. L. Boutillier, in his study on the Bongouanou region, of the Ivory Coast, shows how some of the richer peasants have in the past decade begun to invest their profits outside agriculture, buying cars and lorries, becoming transporters and traders, setting up village stores and sometimes going in for money-lending as well. A report on Senegal describes how the better-off cultivators are taking up trade, some of them having already given up cultivation in order to live entirely by trading. In Cameroun, the Bamilike are particularly active in trade; in some of the areas where they are heavily concentrated, a quarter of them are occupied in trading. Describing the activities of traders in the cocoa region of the Cameroun, Jacques Binet (*Budgets Familiaux des Planteurs de Cacao au Cameroun*), writes: "The traders represent the wealthy section of the population".

In general, these developments were already under way before the most recent period. That is to say, an African capitalist class was emerging in agriculture, in trade, and in transport, and in some cases, branching out to small-scale light industry.

The rapid development of the national liberation movement in Africa after the second world war was due to two main factors. First, the new world situation; secondly, the maturing crisis within Africa itself. The war itself had a profound effect on the African people. And the immediate post-war years, with the emergence of the socialist camp, and the winning of national independence throughout most of Asia, accelerated events in Africa still faster. The winning of independence by Ghana in 1957, and Guinea, in 1958, had a further catalytic effect on the African people's struggle.

"AFRICA YEAR"

Within African society, the twenty-odd years from 1939 to 1960 ('Africa Year') had brought about most significant changes. It had carried to a much further stage the destruction of local handicrafts and of traditional agriculture; millions more had been drawn into wage labour, much of it still migrant; African population in the towns had soared; an appreciable growth of an African capitalist class had taken place; a radical intelligentsia (sons of chiefs, sons of traders, sons of peasants) had emerged. The old forms of society were collapsing, and new class forces were being thrown up, forcibly and ruthlessly. And as they emerged within the crucible of colonialism, they began to press ever more persistently against the barriers which tried desperately to hold them back.

The interests of colonialism had hindered and delayed the economic development of the African territories, prevented their industrialisation, ruined their traditional agriculture and left them with a distorted economy. Thus, all national

development had been throttled and the whole people, including often the chiefs, were hurled into the struggle for national liberation as the essential pre-condition for the advancement of their own class and sectional interests, as well as for the common patriotic interests of all.

The workers, the peasants, the African bourgeoisie and the intelligentsia, have all played their role in this historic change. Without the participation of all these forces and without their high degree of national unity, it would have been impossible to mobilise the necessary strength to win through to independence, or to form such widely based national parties as now exist in so many African states.

FORMATIVE STAGES

These parties, both in their formative stages and in the phase of achieving national independence, have been led mainly by the intelligentsia and petty-bourgeoisie. Any examination of the origins and occupations of the leading members of the African political parties, of the members of Government and Parliament, shows that this is so. Sections of the bourgeoisie, especially the trading bourgeoisie, have tended to be an anti-national factor, and, after independence, have sometimes become a main prop of neo-colonialism. The emergence of a richer stratum of African farmers and the creation of a new stratum which might be termed "bureaucratic-bourgeoisie" (stemming from those petty-bourgeois elements who have utilised their new governmental positions to enrich themselves by inflated salaries, bribery, embezzlement and so on, thus accumulating sufficient capital to invest in land, speculation, trade, commerce, building, etc. and to deposit their gains in foreign banks) have been fostered by imperialism, in the hope that they, too, would become supporters of imperialism in its new guise of neo-colonialism.

A decisive role in the liberation movements has been played by the most far-sighted, patriotic democrats who, by relying on the mass support of the workers and peasants and by increasingly utilising the ideas of scientific socialism, have been able to ensure the successful advance of their countries. Such leaders are capable, talented men, men of vision and intelligence, with a basic desire to destroy all the hangovers of colonialism and to assist Africa to rise to her full stature—free, independent, enlightened, proud and prosperous. Men like Kwame Nkrumah, Sekou Toure, Modibo Keita, Abeid Karume, Amilcar Cabral, Nelson Mandela and so on, who have played a leading role in their country's struggle for independence and who, in many cases, are now leading their countries out of the orbit of imperialism, can in no sense be regarded as representatives of the national bourgeoisie. In social origin, some may be from chiefly families; some from small bourgeois families—but others, like Karume or Nkrumah, or Cabral, or Lumumba, have come from most modest origins. And the cause for which they have fought is not that of the national bourgeoisie but of the majority of their peoples, the workers and peasants.

What role has been played by the African peasantry? Franz Fanon has argued that "only the peasantry is revolutionary. It has nothing to lose and everything to gain." The African peasant says Fanon, is so exploited and ground down that, for him, there can

be no compromise with colonialism. No one will argue about the poverty of the majority of African peasants. But one cannot simply put all peasants into a single camp. As we have explained above, the significant thing about the peasants of Africa is that over the past decade or more, a considerable differentiation has taken place amongst them. On the one hand, a small richer section is emerging at the top, which often takes up trade and money-lending as well; this is, in a sense, a 'kulak' class in the African countryside. On the other hand, the impoverishment of the majority of peasants has increased, thus turning millions into migrant workers. It is the mass of poor peasants, many of whom have been engaged at some time in their lives in wage labour, which constitutes the most revolutionary section of the peasants. But they do not become spontaneous revolutionaries. Poverty and oppression, by itself, does not produce revolutions. What is decisive is the political understanding of the causes of the misery, and of the steps that have to be taken to end it. As Amilcar Cabral, leader of the national struggle in 'Portuguese' Guinea, has put it:

"Many people say that it is the peasants who carry the major burden of exploitation: this may be true, but so far as the struggle is concerned it must be realised that it is not the degree of suffering and hardship involved as such that matters: even extreme suffering in itself does not necessarily produce the conscious understanding required for the national liberation struggle."

THE PEASANTRY

N. Numade, a leader of the liberation movement in South Africa, has likewise rejected the theory that the peasantry can lead the African revolution.

"Aroused, and given dynamic leadership, the Africans of the rural hinterland will prove an invincible and determined army of freedom fighters. But in the nature of things, we cannot often hope or expect to find the leadership of the African revolution emerging from the heartlands of tribal society."

This is not to ignore the role that the mass of poor peasants have played in the struggle. Without the poor peasants the armed struggles could never have been maintained in Cameroun, in Kenya (during the Emergency), in Portuguese Guinea, in the Congo, or in Algeria. Nor could the important struggles have been developed in South Africa—in Pondoland, Sekhukhuland and Zeerust. Without the decisive support of the peasants, Sekou Toure and the Democratic Party of Guinea would never have won an overwhelming vote for independence in the 1958 referendum. But the leadership for these struggles usually came from the towns, from the new classes—the workers, the petty-bourgeoisie, the intelligentsia. And among the poor peasants themselves, as we have previously seen, the migrant labour system has meant that most adult male peasants have experienced wage labour, thus imparting a semi-proletarian element into the very character of the poor African peasants. In many cases, especially in the English-speaking territories, it can be said that the peasant has often participated in struggle against colonialism not as a peasant in the countryside, but as a worker in the towns. Accra, Lagos, Enugu, Jos,

Johannesburg, Durban, Mombasa, Nairobi, Dar-es-Salaam, Tanga, Jinja Kampala, Wankie, the Copper Belt, Freeport, Bathurst—all have been the scene of bitter struggles against colonialism, of demonstrations and strikes in which scores of people have been killed and hundreds wounded and arrested. And taking part in these struggles have been, overwhelmingly, the migrant workers, that special phenomenon of so many African towns, the worker-peasant or peasant-worker, with a foot in both worlds.

THE YOUNG UNEMPLOYED

An important role in these struggles has also been played by the young unemployed, those who have recently arrived from the countryside but who have found no employment, and who therefore live, in the traditional African way, with, and at the expense of, their relatives in the towns. These men are no longer strictly speaking peasants, nor have they become workers. Some of them become declassed, sink into apathy or crime, and, as brutalised layabouts, often provide the forces for the lower ranks of colonial armies and police, for the vicious thugs who beat up Lumumba, for the criminal gangs in the township of South Africa. But others, who are increasingly being joined by the young school leavers who cannot yet find jobs, become a powerful base of the youth wings of the national parties, and make an important contribution to the national liberation movement.

The African working class, though still a minority of the African people, and a relatively young class, most workers being of the first generation, has played a most decisive role in the struggle for national independence. The migrant labour system, while delaying the creation of a permanent, stabilised, modern proletariat, has drawn millions of workers into the experience of wage labour.

In many cases the workers have joined trade unions, taken part in strikes, become members of political parties, marched in political demonstrations and voted in elections. Thus, in the busy market-of-ideas of the urban centres they have become new men, with enlarged horizons and an awareness of class interests and class solidarity, and a new national consciousness. On return to the villages they have taken with them their new-found knowledge and experience. The migrant worker is also a migrant peasant, and the African worker-peasant, with knowledge of both worlds, is able to bring to the countryside the spirit and political consciousness that has grown in the towns.

MIGRANT LABOUR SYSTEM

Thus the very migrant-labour system, the curse of Africa, has become the basis for an alliance between workers and peasants for the essential foundation of a powerful national liberation movement.

The very conditions under which they lived under colonialism acted as a most rapid educator of the African workers. Every day of their lives, the African workers came up against the realities of European exploitation. Ironically enough, the very absence of large African companies—a natural consequence of colonial oppression—has turned the African workers in an anti-imperialist direction. It was the European monopolies who paid them starvation wages and resisted their demands for a better life. It was

the European rulers who daily insulted and humiliated them in a thousand and one different ways: It was the European government officials and advisers who backed up the employers against the workers and their unions. It was European-led police and troops who fired on the strikers, and arrested their leaders. European warders controlled the prisons, and European judges passed sentence. Thus the politics of national independence were driven into the heads of the African workers by their everyday experiences. Inevitably they came to realise that no fundamental change in their lives, no social and economic advance, was possible without political change, and that the essence of this political change had to be national freedom and the ending of the rule of the white overlords.

AFRICAN WORKING CLASS

The experience of the African working class, the growth of their understanding and of their organisations, and the great struggles they have waged have, in a very real sense, been the forerunners of the present national movements which are sweeping the continent. It is above all the workers who, by their great strikes and demonstrations, have revealed to all Africans the system of imperialist exploitation under which they live, have inspired and encouraged the whole people by their determination and self-sacrifice, and have shaken up the whole imperialist edifice by their repeated blows against their oppressors. The workers' struggles have given rich experiences to the whole people. They have revealed the real character of the colonial system, what it is, what it is prepared to do, its strength and its weakness. Above all, the experiences of the workers' battles have shown what must be done if colonialism is to be eliminated.

Understandably, therefore, the U.G.T.A.N. (Union Generale des Travailleurs d'Afrique Noire) had no hesitation in declaring at its 1959 congress that the "decisive role,

in the struggle against colonialism, for the conquest and consolidation of independence", belonged to the "African working class and its trade unions."

PATRIOTIC CLASSES

The African revolution has been the historic achievement of all the patriotic classes—workers, peasants, petty-bourgeoisie and national bourgeoisie. An important role has been played by professional workers and intellectuals as well, sprung from all these classes and from chiefly families which have also, in some cases, participated in the struggle. Peasants and workers

provided the main forces of the struggle, but the actions of the workers have been of decisive importance. In a number of countries, sections of the African bourgeoisie, (sometimes, as in Nigeria, in alliance with feudal leaders), have been able to snatch the fruits of victory, and have taken the reins of power. In these cases the door is wide open to the activities and intrigues of neo-colonialism. In other cases, the most progressive and patriotic sections of the intelligentsia, increasingly allied to the working class, have emerged as the leading force in the new States, and, as in Ghana, Guinea, Mali, and Zanzibar, are taking firm and decisive steps away from colonialism and towards socialism. In some African states, such as Congo (Brazzaville), recent changes give hopes of a similar development. A considerable number of African states, however, including Kenya, and Tanganyika, are in a stage of transition, their governments being the scene of contest between petty-bourgeois and intellectual sections who wish to make a more marked turn away from imperialism, and on the other hand, sections of the new bureaucratic bourgeoisie who lean heavily on the imperialists. In these cases, the working class has not yet been able to bring sufficient pressure to bear to make the outcome of the struggle certain.

Africa is entering an important new phase, one in which she is facing an imperialist counter-offensive, as shown by the recent events in the Congo, Malawi, Tanzania and Rhodesia. Already there is a group of states in which the working class is playing a key role, and which are moving out of the imperialist orbit. There is no doubt that in the coming few years more African states will take this path and make possible the hastening of Africa's transition to socialism.

LAW IN A CHANGING SOCIETY

Continued from Page 2

work i.e. the right to guaranteed employment and proper payment; rest and leisure; maintenance in old age, sickness, and disability; education; equal rights for women in all spheres of life; equal rights irrespective of nationality or race in all spheres; freedom of conscience; freedom of speech, of the press, or assembly, of street processions and demonstrations; rights of organisation in trade unions, co-operative societies, etc.; invincibility of the person, of the home of correspondence; and the right of asylum for foreign political refugees; with in every case the fullest express statement of the means whereby these rights were all guaranteed in practical reality; and at the same time (b) their duties to: abide by the Constitution, to the laws, to maintain labour discipline, to perform public duties, to respect the rules of socialist intercourse, to guard socialist property, to do military service, and to defend their country. Lawyers, too, must change;

they must justify one in saying of them in a few years what was said of the Soviet advocates to me on my second enquiry, as I told you. They have to begin, I think, by holding themselves to be not a group or class apart or above, but as part of the people, of the new majority-ruling-class, serving the people and their interests.

(Purely as my personal opinion, I would like to see Ghanaian lawyers give up of their own notion the wearing of wigs—a sort of status symbol of a group apart and above, a piece of an old government machinery that came from a country apart, and stood above—and to give up the wig just because they now think of themselves as one with the great body of their countrymen). (May all this happen in Britain, too).

I think of all these changes as exciting and hopeful. They may impose novel tasks and duties on lawyers-unwelcome perhaps—to some to whom all that is new is strange. But no great advance was ever made without hard work, and lawyers like many others—must advance with the times or become out-of-date and anti-social. I am sure lawyers do not wish to bring that fate upon themselves, and that they will take care not to do it.

The West German 'Miracle'

WHEN difficulties appear in the economies of African countries which have committed themselves to planning, there is no shortage of voices from outside to tell them that if only they abandoned this planning and relied on the 'market mechanism' and 'free enterprise' i.e. upon capitalism, their rate of growth would be faster, their problems would begin to be solved, and foreign investors would be only too willing to help them.

Increasingly vocal among these advisers is West Germany. Some of your readers will have heard this week a lecture delivered in the University of Ghana by a Dr. Schneider, and chaired by an official of the West German Embassy, entitled "National Planning and the Social Market Economy." Originally this was to have been 'the free market economy' but at the last moment the word 'social' was introduced.

The lecture repeated, in a somewhat simplified form, with precise figures given only when they favoured the case being put (such as doubling of output in ten years or pensions two thirds of the wage over the end of working life—what happens to those who are unemployed, or sick during that period? but with a reluctance to answer with equally precise information questions about the size of the contribution the worker has to pay in order to get this pension).

The case is made out at greater length by Dr. Erhard, the present Chancellor of West Germany, in a book published in 1963, 'The Economics of Success'. In a speech delivered in 1960 entitled "Thoughts on the development of Africa" he argues that Germany, as a 'developing country' has lessons for Africa.

THE ERHARD LESSON

First he is glad to assure his audience that West Germany is "starting on a new phase... we in the Federal Republic are seriously considering how we can build up a development fund... I am in a position to reveal to you that this fund will almost certainly be on a bigger scale than we had dared to hope or to assume. If Germany is being criticised today throughout the world for her high balance of payments surpluses... we propose to answer this not entirely justified accusation by trying to reduce our surpluses by exporting more capital and thereby also giving substantial assistance to the developing countries. I am firmly convinced that, from every point of view, we are starting on a new phase, not only as regards our moral position, not only in relation to the world political situation, but also in terms of material resources..." (pp. 299-300).

What sort of conception has Dr. Erhard of the countries into which Germany is to begin to export capital? I quote at some length to give the flavour of his thought: "What is the best way" (i.e. for these countries). It is certainly true to say that the model of a free social economy known here in Germany as Social Market Economy—is not one that can be slavishly followed by or imposed on other countries and that even the principles underlying it cannot be applied unreservedly in the developing countries. Certain modifications will always have to be made to fit in with local circumstances. But these modifications must not be so far reaching as to destroy the essence of a liberal system".

He then makes clear what form of economic system lies behind the fine sounding word 'liberal'—"when development plans were first mooted many were convinced that industrialisation of developing countries must of necessity be based upon state controlled economy, because, in the absence of sufficient private capital, the state alone with its managerial resources was in a position to promote and carry through a programme of economic development. Here and there this may be the case... in principle I take the view that what has to be done in the infrastructural field is primarily the duty of the

state..."

He then speaks of 'co-operation between entrepreneurs' (presumably private), stresses that private industry (he means German private industry) must also be prepared in future to branch out more into development areas. The Federal government is prepared to encourage this kind of private initiative and also to reduce the risks (apparently the freedom of enterprise in the free market economy does not extend to the freedom to make losses. The state will give protection against that dangerous kind of freedom). "I am far from suggesting that the Social Market Economy such as we are trying to practice and develop further in Germany is a panacea. Yet I am glad that this example has been followed and that even in the developing countries the idea is gradually losing ground that the only valid principle for these areas is to expand and develop production by means of a modified form of state capitalism - or state socialism" (p.333). In the article "Foreign policy begins at home", he concludes p.325.

"Any compromise with state controlled economic methods should be avoided. We can no longer command confidence if, on the one hand we champion individualism and human dignity, personal initiative and a free economy, and on the other supply equipment and personnel to help promote state capitalism and collectivism, and in consequence a loss of freedom in the developing countries."

(I cannot forbear a comment on 'human dignity'—the West German government has so far, under pressure, cleared out only a few of those in high places who spent the years of the Second World War destroying human dignity; it has refused to pay adequate compensation to victims of Nazism, and now, by a Statute of limitation, it is ensuring that the many war criminals still living in Latin America, South Africa, to say nothing of the Federal Republic itself, shall avoid trial for their crimes).

"We shall win if by our actions we gain the confidence of the newly independent countries. Great efforts must be made to paint a true picture of conditions here in Germany so that nations may be won over by our example"

It is this example, the so-called 'miracle economy' that we now propose to examine. We shall return again at the end of its new policy of the export of capital, which not a few writers on exploitation of underdeveloped countries have regarded as the economic essence of imperialism, especially in its modern form neo-colonialism.

First we are told that Germany has had a very high rate of growth, and that this is due to the free market economy. The following Table of rates of growth of industrial production is instructive:—

| | |
|--------------|-----|
| West Germany | 207 |
| France | 202 |
| Italy | 241 |
| Japan | 372 |
| USSR | 270 |

(Source: National Institute of Economic and Social Research: Economic Review, London Aug. 1964, p.69).

Since the rate of growth of output is not independent of the rate of growth of the labour force, it should be noted that the West German population grew, from 1945 to 1952 by 10 million, and even between 1950 and 1960 it grew by 4.8 million, or 10 per cent. The numbers in employment over the latter period rose by 23 per cent. Even, however, despite this phenomenal increase, West Germany shows a rate of growth about the same as one of her Common Market partners, France, and much smaller than another, Italy, (both of which have very considerable sectors of state enterprise in coal, steel, oil, electricity, railways, automobiles), slower still than the largest socialist country, and very much slower than Japan. If one eliminates the population effect by taking instead output per worker, one obtains:

| Annual rate of growth of output per worker in manufacturing industry 1950-1960: | |
|---|---------------|
| Japan | 12.2 per cent |
| Italy | 7.6 per cent |
| France | 5.8 per cent |
| FRG | 5.1 per cent |

(Source: United Nations World Economic Survey 1961, p.65)

As is pointed out in another UN report (Some factors in Economic growth in the 1950's Ch. VI, p.2) "West German unemployment percentage in 1950 was 7.3 against 1.1 in France and 1.4 in the U.K.!" She began the period with a large surplus labour force.

Secondly, it is the oldest statistical fallacy in the world to assume that because two things happen together (growth and the 'free market economy') that the latter causes the former. The figures above debunk this meretricious argument and now one can begin a proper scientific investigation of the real reasons.

In 1947 West German production was extremely low and stagnant. Other belligerent countries had made in many cases remarkable recoveries, reaching the pre-war level in one and a half years of peace as compared with the five years it had taken them after World War I. West Germany's recovery at a rapid rate began in 1948 and has often been attributed solely to the currency reform of June 1948 and the relaxing of the reins of state control introduced by the occupation powers. The note of self pity in Dr. Erhard's voice when he describes "This poor, prostrate Germany, with its worn, outdated equipment weakened still further by dismantling" (this from a country which had pillaged the whole of Europe for five years) will not be shared by those, including Germans, who fought politically and militarily against German imperialism before and during the years 1933-45. We shall save our tears for the tens of millions of Nazi victims.

The currency reform, he adds, "destroyed also 40% of our liquid capital resources." That was precisely what it was intended to do; it wiped out not only the speculator who had accumulated cash, but it wiped out the money savings of small and middle people. Those it left untouched absolutely, and benefiting relative to their fellow citizens were of course the big capitalists whose property, being in terms of physical assets, were unharmed by the currency reform.

The year 1948 was also the year of the United States Marshall Plan (ERP). Aid which had hitherto been channelled by the US through the United Nations to war stricken countries was now transferred to

a solely US agency. Aid to the USSR, worse stricken than Germany, fell from 149 million in 1947 to 30 million in 1948, while imports of West Germany and Australia from the US (four fifths going to West Germany) grew from \$688m. to \$1,015m. at constant prices. (UN Economy Survey of Europe for 1948 p. 128ft.).

Professor Seymour Harris of Harvard, in a book supporting the Marshall plan, wrote in 1948 "Germany had an excess of plant and equipment relative to materials and manpower i.e. Germany cannot make the most effective use of the capital resources available largely because of the difficulty of obtaining required supply of raw materials and food" (The US Bombing Survey of war damage in Germany took a somewhat less self-pitying

by
Ron Bellamy

view of the state of the capital stock than did Dr. Erhard—Harris reflects this, more realistic assessment). From April 1st 1948, with the start of Marshall aid (and three months before the currency reform) until 30th June 1949 90% of the US/UK zones supplies of dollars came from Marshall aid funds, and of course the United States was at that time almost the only country where surplus food and raw materials existed. Professor Howard S. Ellis in 'The Economics of Freedom', published in 1950 by the Council on Foreign Relations of the US with a foreword by Eisenhower (the former President of the US) wrote, "Self-interest rather than charity inspired the ERP. Frightened by the onward movement of Communism..." and his first chapter, "What is the ERP "contains two subsections".

MARSHALL AID

1. "The supremacy of political aims, (2) How political aims are implemented by economic objectives." It may seem strange to the politically inexperienced that the United States should give more aid to the home of Nazism than to her allies, but then the Cold War started long before 1945, when Senator Truman (he was US President during the Marshall aid period) in 1942 had expressed the hope that the USSR and Nazi Germany would bleed each other to death.

West Germany Economic recovery to pre-war levels was complete by 1950, and it is from then that we must now consider the 'miracle'. Certainly the German rate of growth was high, and was based primarily upon two things: a high rate of investment in new plant and equipment, and a large, surplus, skilled and docile labour force. May I quote the UN on this:

"The immigrant manpower becoming available was of a quality in many respects favourable to economic growth. Sharing with the local population a high level of industrial training, a pride in workmanship and working discipline, the new arrivals were willing to work even harder and to accept less desirable jobs under the pressing need to integrate themselves into West German economic life and build up a new basis for existence." "Secondly, one effect of the vast army of unemployed in the early years and the high rate of immigration was that the labour market was a buyers market throughout most of the decade; and this market situation was reinforced by the weakness of the trade unions crushed almost of existence by the Nazi regime and slow to

regain political power".

Some factors in growth op. cit p.2 "On the other hand, West German policy has been directed to the double aim of 'preserving monetary stability and at the same time stimulating investment' (UN Ec. Survey of Europe since the war Geneva 1953). On taxation policy, the same source writes, "The rate of progression of income tax (i.e. the extent to which the rich pay more heavily and the poor less heavily) was sharply reduced (the rich paid less and the poor paid more RB) in 1948 and again in 1950. Greatly accelerated depreciation allowances were granted (i.e. business men paid less, or no, tax on the profits they reinvested) a proportion of profits ploughed back by small businesses was exempt from tax, and taxes upon export earnings were foregone. To compensate for revenue lost by these concessions, the share of indirect taxes in public revenue has had to be increased. The net result has undoubtedly been to make the tax system regressive (i.e. the poor pay more RB) as compared with both earlier periods and with the tax systems ruling in most countries".

The introduction of the word 'social' is as much a deception as was the word 'socialist' in the "National Socialism" of the Nazis. Let us look at the changes in the distribution of income between wage and salary earners on the one side (the employees of German capital) and the profits made by their capitalist employers.

| | |
|---|---------|
| Index 1936=100, (all incomes before direct taxes) | |
| 1948-49 | 151.52 |
| Wages and salaries (private sector) | 150 225 |
| Net profits, interests, dividends | 175 315 |

(Source UN Ec. Survey of Europe since the War, Geneva 1953, pp.73-74).

"The large numbers of unemployed weakened the position of the trade unions so that the policy of low wages could be carried through without great resistance".

Small wonder the Survey adds, "From what we have said about the changes in the tax system making it more regressive it is clear that after-tax profits grown even faster in relation to wages than the above pretext figures reveal."

At this point someone may wonder: If the distribution of income was as uneven as that, who bought the goods which flowed from the growing labour force and the rising productivity that the heavy investment programmes made possible? The simple answer is the world market. And the reason why Germany was able to do this relatively unhampered for a large part of the 1950's was that her main rivals in Europe and the United States were engaged in rearmament from 1948 in the Korean war from 1950-53, and in the nuclear arms race after that, spending proportions of their national income upon armaments that rose as high as 12%, and absorbed especially a very large part of their capacity to produce the fastest expanding exports namely Machinery and other products of heavy industry. Germany meanwhile was spending 5% of national income or less upon occupation costs, mostly in the form of consumer goods. A report of the OPEC on delivery dates among its members in 1951 and 1952, showed that while delivery dates in UK, France, Italy were for most heavy industrial goods 2-3 years, those for goods from W. Germany were 2-3 months. Markets once captured through his advantage tend to be retained.

But as the 1950's came to a close the miracle began to look a little tarnished, because many of these special features were of diminishing

force. France, Italy and Japan were entering the world market as more serious competitors while the United States, shaken by the gold drain which her expensive overseas programmes had caused, began to embark on a more serious export drive. Further, the first really sizeable post war recession in the world, caused by one in the USA in 1957, showed the vulnerability of Germany's export orientated economy. During one quarter of that year total output on W. Germany actually fell and the rate of growth for the whole year was much lower than hitherto. It was at this point that the common Market began to develop. Again at first certain high growth rates among the members were all attributed to the forces of free enterprise and competition. One cannot help noticing that when the Italian economy has an acute balance of payments crisis in 1963-64 and measures are taken which causes stagnation and unemployment, or when the French economy stagnates, as at present, rather less is heard about the events of competition. As we move into the 1960's as German's surplus reserves of manpower are exhausted, she too begins to show all the symptoms—wage rises, difficulties about delivery etc.—which other European countries felt much earlier, and she begins to respond in the same way, with organised attempts at further wage restraint and a world market becomes more difficult, she turns her attention to the developing countries. During the fifties Germany used the surpluses of exports over imports which her fortunate position generated to build up massive reserves of gold and foreign exchange and to use them as counters in the political bargaining game with the other members of NATO. W. Germany is now the strongest European partner of NATO both industrially and militarily and she wants this recognised by the handing over of nuclear arms.

At the same time she has used her foreign exchange reserves also as an aggressive instrument of trade policy (being in this respect no worse in principle than her rivals, but more effective because financially stronger). Until recently this has taken the form mainly of trade credit designed to guarantee a secure market for the products of German heavy industry. Now, however, as we pointed out at the beginning, in Dr. Erhard's speeches, a new phase has begun that of the export of long term capital.

WEST GERMANY NEO-COLONIALISM

At this stage the Federal Republic makes great play, as has the United States earlier, of having possessed no colonies (at least since 1919). Of course this carefully omits the fact that from 1938-45 she carried out one of the most extensive and ruthless colonisations the world has ever seen in building the New Order in Europe. In Dr. Erhard's book, as in the history books used in schools in the FRG, you will find no attempt to analyse this period, no reference to the economic and social forces who stood behind Hitler and the Nazis, which were the same forces that stood behind the Kaiser, behind Bismarck, and behind Germany's share in the scramble for Africa, which, one might recall, was organised in Berlin. The present Minister of Defence of West Germany, Kai-Uwe Von Hasel, has an African background. He was born in Tanganyika (German East Africa) where his father commanded colonial troops. No one would hold his father against him if he had not praised as an example for our young Bundeswehr a certain General Paul Von Lettow-Vorbeck who as commander of the Ger-



Ron... he pricks the bubble.

man forces in Southwest of Africa had carried out extermination campaigns against Herero and Hottentot peoples. It is not my job as an economist to pursue this in detail. It has been done thoroughly by the editor of this journal in a publication West German Neo-colonialism and Africa.

I cannot however and without discussion of one point which no economist in Europe would I think take very seriously, namely the suggestion that West Germany is an economy of competition, that the cartel law prevents the formation of monopolies that "People's capitalism" tries to spread property more evenly, and that thus the concentration of economic and political power which formed the driving force of German imperialism before 1914 and after 1919, no longer exists, I could end simply by quoting the Financial Times Special Supplement on Western Germany (already in 1957) which stated that the same seven or eight giant concerns, under the same names—Krupp, Stinnes, Hoechst, I. G. Farben and others—were in substantial control in present day West Germany just as they were in Hitler's time. The data we gave above of income distribution and the much more rapid growth of profits than wages are just the condition which lead to the concentration of capital in few hands. Dr. Erhard ridicules Marx's picture of the polarisation process, into 'big capitalists'. He might sometime look at the changes in German farm ownership and the reduction in the number of independent, self-employed which are shown in that most respectable source—Dewhurst and Associates: Europe's Needs and Resources. Dr. Schneider would meet with scepticism if he told an audience of British economists that a cartel law stopped monopoly. The Monopoly and Restrictive Practices Act of 1957 in Britain forbade collusion between firms to fix prices. But while two firms could not collude at least not legally no one could stop them merging into one. This law has changed the form of monopoly, and been followed by one of the biggest merger movements in British economic history. Dr. Schneider had to admit that there were certain combinations being formed under the impact of rivalry within the Common Market. That there is rivalry, and the most bitter rivalry between giants, we do not for a moment dispute. But that is a far cry from the economy of free competition in which there is room for everyone. From our analysis too, it is clear that the free market economy does not preclude state interference in the form of subsidies and tax remissions to capitalists or in the form of measures to keep wages and salaries down, or now in the form of taking the risks for private capital out of the process of capital export. There is state interference, and as Germany moves out of the special conditions of the 1950's that interference is growing, and will grow. After all, what is the erection of a tariff wall round that rich man's club the Common Market except a piece of internationally Organised state interference?

THE FUTURE BELONGS TO THE PEOPLE

"The Spark" had the rare opportunity of meeting Dr. Ernesto Che Guevara, Minister of Industries and member of the Political Bureau of Cuba during his recent visit to Ghana. Dr. Guevara is not only one of the foremost architects of the Cuban revolution but also one of the leading authorities on guerilla warfare. During the Cuban war of revolution he was in charge of one of the guerilla units which operated in the mountains.

Below we publish our interview with Dr. Guevara, in which he answers questions on the revolutionary struggles of the Latin American people. Cuba is the first of the Latin American countries where the socialist revolution has succeeded. We know that the strategy and the tactics adopted by any revolutionary movement must be dictated by the circumstances and the conditions under which the revolutionaries operate.

But there are certain basic principles that must apply to all revolutions and these must serve as a guide to all revolutionary movements; and experiences can also usefully be shared between different revolutionary movements, particularly where they are all engaged in struggles against a common enemy—imperialism. It is in the light of this that we recommend the "Che" interview to our readers.

—THE EDITOR.

HOW is it possible to turn a mass party into an ideological party?

To turn a mass party into a party of cadres is a relatively simple affair as far as its formal aspects are concerned, but the execution of such a change inevitably carries with it the need for changes in the mentality of the leadership of the party as a whole, and in many cases, also a physical change of previous personalities of the mass party. It also requires a general drive in the education, selection and development of new cadres. This task may be obstructed by various kinds of mistakes. Among these I shall mention particularly the mistake which existed in the Cuban situation until the beginning of 1962, which we have called "sectarism". This situation was brought about, more than anything else, by the lack of

definitions in the real tasks of the party within the state. The fundamental aspects in the change towards a party of cadres are the characteristics of the militant. In a mass party, a militant only has to accept a broad general line of action and be subject to a very general sort of discipline. In a party of cadres, every one of its members should accept being subject to an effective control of his ideological activity, and even of his private life. This is a very important difference and for this reason a very careful selection of cadres should be made before proceeding to a re-organisation of the party structure.

2. What is the situation of the National Liberation Movements in Latin America?

We do not like the term "National Liberation Move-

ment" as applied to Latin America. A "National Liberation Movement" embraces a wide content of class interests. Of course, there exists the possibility of class alliance between the Working Class and the Peasantry in their opposition to the common enemy. But to think that the National Bourgeoisie can honestly participate in the struggle is a mistake.

In Latin America, the National Bourgeoisie is not able to join any liberation movement, and where they do, they only participate to hinder the process. The liberation front will be made up mostly and fundamentally of workers and peasants. It would be more correct in this case, therefore, to speak of "Workers and Peasants Movement". Even though these two represent separate classes, they have the tendency to unite throughout a whole revolutionary period, and the same tendency persists to unite them in the subsequent stage, through the proletarianization period of the peasants, in the sense of turning them into state workers. Therefore the name "National Liberation Movement" is inadequate.

In America, the liberating roads are being opened by the Anti-Imperialist movements, fundamentally made up of workers and peasants. The name they bear may not be this one, for tactical reasons, but this fact is becoming less and less important. North Americans understand perfectly well the meaning of such struggles and they care very little for the actual names given to the movements. If America is not yet ripe for socialism, at least she has arrived at a certain stage where it is no longer possible to talk of any other social transformation but socialism; any other talk would be useless chatter, repetitions, new forms of presenting old stories invented by imperialism together with the Bourgeoisie.

Having said this, it is only left for me to mention that the struggle has reached its armed stage in Venezuela, Guatemala and Colombia. In the remaining countries there are some movements which have taken the decision to take up arms; in others the struggle is being carried on with pacific means. Only in the three countries mentioned has the armed struggle resulted in liberated territories, and this is what counts. The rest is merely mass education in order to prepare them to take over power, and this will be achieved in almost every case through armed struggle. A fundamental contribution to the struggle is being made by these three countries, of which Venezuela is probably the one which has reached the most advanced stage.

3. Has there been any new development of your theory of Guerilla warfare?

The development of the theory of guerilla warfare has been accomplished for quite some time now. The experiences of various countries, among them China, Vietnam, Cuba and Algeria count. Each struggle has contributed some new elements to the theory. At present I cannot add anything new to the arti-



cle which appeared in the magazine "Cuba Socialista" (Socialist Cuba), entitled "Guerilla Warfare: a Method" in which the importance of guerilla warfare as a method in Cuba is stated, as well as some theoretical considerations based on our "Second Declaration of Havana". I believe there is nothing new to add until a greater development of the guerilla movements existing today in Latin America takes place, and also until we get to know more about the guerilla movements in Africa.

It is now the turn of the African comrades to contribute new elements to the theory, after the success of the Algerian war, and in the light of the experiences of the new liberation struggles taking place today in Angola, the so-called Portuguese Guinea, and in the Congo. What is important is the fact that guerilla warfare is a fundamental element of the struggle in underdeveloped countries, in zones of small populations and scarce communication and in other territories which offer suitable conditions for this type of struggle. Africa is beginning to acquire experiences, her own experiences, and we believe that it is from these that new contributions will come forth.

4. What is your opinion on the theory of counter-Guerilla warfare being developed by the United States?

The theory of Counter-Guerilla Warfare of the United States is based on some of the texts and opinions of several revolutionary leaders on guerilla warfare and on the practical study of the experiences of imperialism in the Vietnam War, in the struggles of Laos, and also on some relatively successful experiences like the one British troops acquired after years of struggle in Malaya. The fundamental theme of what the technicians of the Pentagon have to say is based on the assumption that it is necessary to attack the guerillas during the initial stages of the movement when it is still weak, when it has not yet fulfilled that which should be its main aspiration—a total integration with the people.

In order to attack the guerilla movement at this stage they follow two lines of action: one is direct attack on the zones occupied by the popular forces, and this is aimed at exterminating the "dangerous cancer" before it develops. The second is to get hold of the social basis, that is to say, the peasants of the guerilla areas, by means of gifts, money, or by the infiltration of imperialist agents, etc. They have had some relatively successful experiences in Latin America and they have also met with failures. An example of their failures, that is to say, of our victories, is the continued existence of

guerilla movements in Venezuela, Colombia and Guatemala. The guerilla attempts of

Argentina or Peru, which partially failed, are examples of their victories, or shall we say of our failures. From both triumphs and failures we should derive the greatest possible experience and lesson so as not to repeat the same mistakes.

The United States has done a serious study of the theme, and they are seriously worried. The Pentagon is constantly training their various military cadres in order to face every popular struggle; and in their latest behaviour one can discern a comprehensive attitude towards the civil population, and this follows from their admitted aim to take hold of the social basis of the guerilla movements. Imperialism has already made public through the Fifth Latin American Council that the purpose of the different armies of Latin

LETTER TO THE EDITOR

DEAR Editor,

As a regular reader of "The Spark", I naturally took keen interest in Habib Niang's article of December 11, 1964, entitled "The Nkrumahist World Outlook", article (2) in "Studies in Consciencism". Of particular interest to me was that part of the above named article which dealt with what its author calls the "liberation struggle of the people of Palestine". In that context the author launches the idea that this struggle could be viewed as an example for "the right to use all means and resources at disposal to recover territory and safeguard it", and that in contradiction to other disputes which should "by all means be settled by peaceful means". Allow me to disagree with Niang's formulations and way of presenting the particular question mentioned (the Palestine Question), as well as with his final suggestion as to the solution to this problem, by way of using all means to recover the territory in question.

My disagreement with Mr. Niang is of a twofold character: first in the way of opposing the idea of solving the particular problem, mentioned, by force; secondly in the way of seeing the need for approaching the problem concretely, based on the facts.

One should set out from the fact that as a result of historic developments and specific historic conditions, Palestine developed from a uni-national Arab country into a bi-national Arab-Jewish country. The United Nations General Assembly took cognizance of this new reality and voted in 1947 to assure the right of self determination to both peoples, Arab and Jewish. The Soviet Union and the People's Democracies, not to speak of other members of the U.N., gave their moral, political and principled support to this overall solution, calling for the establishment, on the former territory of the British mandate of Palestine, of two independent and democratic states, an Arab and a Jewish of the Jewish state, the whole question has become a bone of contention between the state of Israel and the neighbouring Arab states. This fact alone calls, for a peaceful solution to the Palestine Question. This idea is contained too in the joint communiqué signed by the president of the U.A.R. Nasser and N.S. Khrushchov during the latter's visit to the U.A.R. in May, 1964, in which support was expressed for the Soviet proposal for peaceful solutions to territorial and boun-

dary questions. This communique did not contain President Nasser's former reservation, in the nature of excluding the Palestine Question from such peaceful solutions. This idea of solving the Palestine Question by peaceful means was also hinted at lately, in articles by Mr. Heikal in "Al Ahram". Now to the Palestine Question itself. While the state of Israel has been established, based on U.N. resolutions, the legitimate rights of the Palestine Arab people have not been realised, moreover, a large number of them has been turned into refugees as a result of the armed conflict instigated in 1948 by the imperialist powers, after the U.N. resolution on Palestine had been passed.

A solution of the question has, to my mind, to take into consideration the just and legitimate rights of the Palestinian Arab people and those of the Jewish people; it has to be based on a reciprocal recognition of the just national rights of both peoples. And the state of Israel will have to be the first in recognizing the still unrealised legitimate rights of the Palestinian Arab people and above all of the right of the Arab refugees to choose between returning or receiving compensations. This too should be the key to the recognition of the state of Israel, and its

America is not only to safeguard the common defence of the "Free World", as they call it, but also and mainly, to repress the actions of the people, or as they put it, contribute to the struggle against Communism. Where the United States has failed in their analysis is where they refuse to admit that guerilla warfare is invincible, and that no matter how many techniques and theories they develop, they cannot stop the continuous growth and expansion of the guerilla movement until the whole of the Latin American territory is liberated, and the natural unification of Latin American Revolutionaries against the reactionaries of Latin America takes place. The future belongs to the people, and therefore victory is also theirs.

THE BUDGET

Continued from Page 5

raged only where this foreign private capital goes into partnership with the state and the state has a big control over the enterprise.

The grant of loans and credits to the government completely obviate the danger of direct interference in our economy. The government is called upon to pay the requisite rates of interest and to repay the loan at an agreed date. Often the government's buying policy overseas is affected by the source of these credits. Albeit, these are quite minor "strings" when compared in the dangers of direct uncontrolled foreign investment in our economy.

Since we need these foreign loans and credits at least for some time to come, it is important that the policy of government on this vital issue be made abundantly clear. Ambiguity on this score can only harm our position. We cannot afford the luxury of two antithetical policies one pursued by the Ministry of Finance and the other by the Office of the Planning Commission. For socialists, the line of the Ministry of Finance is the correct one. We therefore expect the Office of the Planning Commission to fall into line.

legitimate rights by the Arab countries, the key to negotiations, to agreement to peace. This conception rejects any ideas implicating the liquidation of the state of Israel or the idea of negating the legitimate rights of the people of Israel. This conception too is the one put forward by the Communist Party of Israel, and basically too by the Communist parties of the Arab countries.

I would appreciate very much your publishing this letter of mine in one of the next issues of "The Spark".

Truly yours,
(Sgd.) Dr. Wolf Ehrlich.

OBITUARY

Continued from Page 1

to German soldiers for fighting alongside British troops against the Russians, who were still the allies of Britain.

In 1946 at Fulton he launched the cold war in a speech. Two years later he tried to hot things up with his appeal: "We ought to bring matters to a head and make a final settlement... While they (the Western powers) have the atomic power and before the Russian Communists have got it, too." Fortunately for the world, these war-mongering nuclear plans came unstuck. Russia broke the western nuclear monopoly. And people all over the world were against war.

And so the advance of the peoples of the world to independence and socialism went on.

In 1919, out of a world population of 1,800 million over two-thirds—1,230 million—lived under the colonial domination of imperialist powers. As recently as 1946, a round 1,500 million people still lived under imperialist domination.

Now socialist countries are springing up. Over 50 new sovereign states have emerged in Africa, and Asia in the 15 post-war years and 1,400 million former colonial people have won political independence from imperialism. Only around 80 million still live under colonial rule.

Neither the late Sir Winston Churchill nor any other individual or group however intelligent could arrest this process. When we say "May you rest in peace" to Sir Winston, we mark the passing of the old era and the coming of the new. May the curtain close forever!

EDITORIAL

(Continued from page 1)

mies of national independence and socialism in the most determined way, but its very consistency gives an inspiring lead to the masses whose participation and power alone can in the long run smash imperialism totally and build a new social order. To formulate a policy without basic principles is to indulge in a very dangerous gamble.

Kwame Nkrumah has reminded us that 'The new Africa needs a new ideology, socialist in content and outlook'. It is against this touchstone that policy must be judged. This is not to say that in the interests of ideological unity we must reject any kind of compromise and be prepared to co-operate only with those who are in a hundred per cent agreement with us. On the contrary policy has to take into account the tactics of how to work with others who do not fully agree with us in every detail. Our attempt to unite diverse sections in our fight for unity and socialism demands skill and creativity. It demands a flexible policy but one which returns again and again to its basic ideology for reliable terms of reference.

This is not the same thing as coming to terms with imperialism or making damaging compromises. Our decisions about whom we see as allies depends on our balanced and informed assessment of the general direction in which these forces are moving. If they are growing and developing as an anti-imperialist force no matter how weak or temporarily confused, we fight to win them for our cause and we try to reach practical working agreements with them.

Our agreements, our tactics must lead to unity which lifts the level of the total anti-imperialist struggle, thus fulfilling one of the basic requirements of our ideology. This is but one example of how we can combine skilled leadership and activity in a difficult situation without ever compromising on our fundamental aim. Indeed we recognise the organic link between ends and means. We cannot employ anti-socialist means for socialist ends and policy without ideology cannot even draw the distinction between different kinds of means.

Our policies, directed towards total liberation and towards socialism cannot please everybody; the very nature of the decision implies struggle and struggle of a complex kind. Without ideology firmly based on the experiences of the mass advances against imperialism and for socialism, our policies will flounder, confuse the masses and serve the interests of world imperialism alone.

PRINCIPLE

To negotiate with forces that are hostile to matters of principle is to abandon principle. Principle is indivisible, it is either wholly kept or wholly sacrificed. The slightest concession on matters of principle is the abandonment of principle.

—KWAME NKURUMAH.