

PRESS COMMENT

31 OCTOBER 1963

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New York Times Summary

International

In Mali's Presidential palace, the leaders of Algeria and Morocco yesterday signed a cease-fire agreement, effective on Saturday, to end their undeclared Sahara border war. Impassive in a rumpled uniform, President Ben Bella of Algeria shook hands after the signing with King Hassan II of Morocco, who smiled briefly. The compromise measure, reached after prodding by Mali and Ethiopia, calls for a neutral demilitarized zone and the reconvening of a meeting of 30 African foreign ministers. [Page 1, Column 8.]

South Africa's case against nationalist leaders accused of using violence against the country's racial separation policy was thrown out of Supreme Court in Pretoria. The Judge agreed that the indictment was "fatally defective." [1:7-8.]

Recent assurances to the contrary, it was authoritatively reported in Paris that the withdrawal of a 5,000-man armored cavalry regiment from West Germany had been planned by the United States. Secretary of State Rusk and Army Secretary Vance have both said that no reductions were contemplated. [1:6-7.]

At the United Nations, the chief Soviet delegate charged that Washington's plan for a mixed-manned nuclear fleet was aimed to give nuclear arms to West Germany. [2:5.]

Paris reacted with despair and frustration to Senator J. W. Fulbright's criticism of President de Gaulle's trade and defense policies. French sources said that the Senator's outlook reflected "an enormous misunderstanding," and that he might not agree to the necessary reciprocal arrangements with Washington. [1:5.]

In four separate votes, Roman Catholic Bishops emphasized their own permanent collective status with and around the Pope. In so doing, they set the stage for an eventual increase in their authority in relation to the Papal cabinet. [1:6-7.]

LONDON TIMES
24 Oct. 63

SINO-SOVIET TENSIONS

PEKING CAMPAIGN TO DEIFY MAO TSE-TUNG

RUSSIA'S SCATHING ATTACK ON PERSONALITY CULT

MOSCOW, Oct. 23

The Soviet Communist Party today directly accused the Chinese Communist Party leaders of trying to form a new world communist movement under their leadership. The latest attack in the bitter ideological dispute between Moscow and Peking was published in the Soviet Communist Party's leading theoretical journal *Kommunist* and quoted by the Soviet news agency Tass.

The Chinese were accused of trying to replace "Leninism with Mao Tse-tungism" and adhering to the personality cult—the first time such a charge has been made in a responsible party journal.

Western observers interpreted this charge as an angry Soviet reply to repeated personal attacks on Mr. Khrushchev which have been appearing in the Chinese press.

The *Kommunist* editorial article was also seen as a step towards outlawing the Chinese party from the world communist movement if Moscow considered the time ripe to do so. Next month communist leaders will discuss calling a world communist conference, where such an expulsion could be made.

The leading article claimed that the Chinese had moved on from their "splitting activities" and had decided to create "some new movement under their aegis". China was inspiring and supporting "various anti-party and factional groups".

"The people in Peking are obviously trying to knock together an international block out of such groups and groupings, most consisting of people who were expelled from communist parties—all sorts of unprincipled and corrupt elements", the journal said.

Kommunist said that the Chinese leaders needed to defend the personality cult because their internal policies were based on its preservation. However, 65 of the world's 86 communist parties had expressed "full solidarity" with the Soviet position in the clash.

IMMENSE DAMAGE

The article stated: "We are witnessing a campaign against the very fundamentals of Marxism-Leninism such as has not occurred since the days of Trotskyism". The Peking campaign against fraternal communist parties had nothing in common in its approach with a discussion among like-minded people.

"Immense damage is being done to the cause of socialism and the entire revolutionary movement; and every communist, in whichever country he may live and under whatever conditions he is fighting for his ideals, is in duty bound to carry out his international duty—to do everything possible to halt the development of events in the direction which Peking wishes them to take."

Tass said that the article exposed in detail "the special platform, created in Peking in the theoretical field, in the social-political life of the country, and in the field of foreign policy and relations with socialist countries" and summed up the "faulty methods" of the Chinese leaders.

"To achieve their aims the Chinese leaders, to judge by their actions, have decided to demolish the international communist movement and create some sort of a new movement under their own aegis. As they see it the shortest way of doing this is to discredit the Soviet Communist Party."

Kommunist accused Chinese leaders of resurrecting the ideology and practice of the personality cult. This was necessary because their internal policy was based on the preservation of a regime of personality cult. Chinese leaders' pronouncements against doing away with the Stalin personality cult were "a call for the support of the deification of Mao Tse-tung, in which Chinese propaganda is now strenuously engaged", the article said.

"The communist movement has met with an attempt to replace Leninism with 'Mao Tse-tungism'. The attempt to substitute the ideas of Mao Tse-tung for Marxism-Leninism has provoked a resolute protest from all communists. Our banner has been and will be Marxism-Leninism. We have fought and will fight for the purity of Marxist-Leninist ideas."

"The people in Peking do not believe in the forces of world socialism, in their ability to influence world development in the interests of the revolution."

Chinese propaganda limited itself to "proclaiming with fanfares the well-known Marxism truisms about the need of a socialist revolution and dictatorship of the proletariat", but diverted attention from the pressing tasks of implementing these immensely important principles. The theory of some sort of "special" common interest of the peoples of Asia, Africa, and Latin America invented by the Chinese propagandists fully contradicted Marxism-Leninism.

TROTSKYIST CHARGE

"Such an interpretation of Afro-Asian solidarity serves not so much as an instrument of struggle against imperialism as an instrument for isolating the peoples of these continents from the socialist states."

The article said that the political and ideological ideas of the Chinese theoreticians in many respects coincided with those of the Trotskyists. One example was the Chinese view "that as long as imperialism exists the possibility of averting war is an illusion". There was "often almost verbatim coincidence between the pronouncements of the Chinese theoreticians and those of the Trotskyists".

The Peking leaders were inspiring and supporting various anti-party, factional groups in other countries. "The people in Peking are obviously trying to knock together an international block out of such groups and groupings, mostly consisting of people who were expelled from communist parties, all sorts of unprincipled and corrupt elements."

"When petty-bourgeois, nationalistic revolutionism, leftist phrase-mongering and leftist opportunism are forced on a big communist party, especially one in power, they become no less a danger than revisionism, not only for this particular party but for the entire communist movement."

"The activity of any political leader is limited by an historical period of time. He must realize his responsibility to history, to the peoples for the destinies of socialism; he must think not only of the present but also of the future consequences of his present-day activities."

"No one, not a single leader, has the right to split the communist movement, to undermine the friendship of the peoples of socialist countries, born in battles against imperialism."

"Communists cannot, have no right to, adopt nationalist positions, to engage in anti-Soviet, anti-communist propaganda."

NEW YORK TIMES

30 OCT 1963

PEKING LINE PRESSED BY CHINESE IN SOVIET

Special to The New York Times

MOSCOW, Oct. 29—A Chinese Communist delegate voiced implied criticism of a number of Soviet views on ideology and foreign policy in a speech here today.

Chao Ko-chiang, "fraternal delegate" to the convention of Soviet trade unions, did not attack Soviet policies specifically. However, he reaffirmed some Peking positions that led to the ideological dispute with Moscow.

Mr. Chao is attending the convention, which is closed to Western newsmen, as one of about 80 observers from foreign countries.

From the accounts of persons at the session it emerged that the Chinese delegate had in effect attacked the foundations of the Soviet Union's policy of co-existence with the West.

Tonight Tass, the Soviet press agency, published the text of a telegram sent by the Chinese Communist leaders to the Soviet leadership thanking it for its congratulations on the anniversary a month ago of the Chinese revolution.

HINDUSTAN TIMES

20 OCT 1963

Albanians fleeing to Yugoslavia

Belgrade, Oct. 19 (PTI)—Hit by poor living conditions and persecution, a large number of Albanians have been crossing the northern border of Albania into its neighbouring "ideological foe," Yugoslavia.

The Yugoslav official news agency, Tanjug, reporting the exodus, said Albanian refugees were crossing over mainly from Scutari, Pishkopia and Kuks regions. The agency did not indicate the number of persons who had fled Albania in the last few days, but said they included intellectuals, workers and peasants.

Circles close to the Yugoslav Government attributed the exodus to the "repression let loose" by Mr. Enver Hoxha, the pro-Chinese Premier of Albania, on "Khrushchevites" following deepening of the rift between Russia and China, Albania's "ideological ally" in the international Communist movement.

JAPAN TIMES
21 OCT 1963

Shipboard Press Meet

Sino-Soviet Feud Kept Under Wraps

By MASARU OGAWA

Masaru Ogawa, managing editor of The Japan Times, and Koichi Ishizaka, director and secretary general of the National Press Club of Japan, recently attended the Third World Meeting of Journalists held aboard a Soviet passenger liner cruising the Mediterranean Sea. This is the first of a series of articles on the conference and its sidelights.—Editor

It was a dull affair as conferences go, although the idea itself of holding meetings on a ship cruising the Mediterranean Sea was quite novel and worthy of a bourgeois imagination.

The occasion was the Third World Meeting of Journalists, held from Sept. 19 to Oct. 3 aboard the Soviet "luxury" passenger vessel, the Litva. Within that two-week period, the Litva with about 250 journalists on board sailed from Naples and touched at the ports of Algiers, Tunis, Tripoli, Alexandria, Port Said and Beirut.

The conference may not have been dull to the Communists and the left-lined delegates who completely dominated the affair. But it was to the two of us who attended as observers from Japan, because it did not take long for the constant stream of fiery speeches denouncing imperialism, colonialism and neo-colonialism and calling for socialist solidarity, to become monotonous to our ears.

It seemed dull to us for yet another reason. We had attended the conference half-expecting some public discussion of the Sino-Soviet differences. However, it seemed as if every precaution had been taken to keep the wraps tightly fixed on this subject.

Communist China had, of course, refused to attend the conference. This Red Chinese decision also kept other Asian journalists' groups under Peiping influence from joining. Delegates who had attended previous World Meetings from Japan and India were absent. North Korea, North Vietnam, Indonesia and Burma likewise did not send delegations.

It was apparent that the Communist journalists were not willing to wash their dirty linen in public—at least not at this conference. But it was also obvious that a great deal of lobbying was going on in private—with the African delegates the main target of the proselytizing process from the Soviet members.

In the course of the several plenary sessions held, Com-

munist China was criticized only once. And this was done by a delegate from Outer Mongolia at the opening session at Algiers. He was promptly reprimanded by the Algerian chairman who pointed out that it was improper to attack a country which was not present at the conference.

It is, of course, to be noted that Algeria and Communist China just recently signed a cultural agreement. And there is a great deal of goodwill in Algeria for the Red Chinese, for we were stopped on the streets on several occasions by smiling youngsters calling, "Chinois!"

It cannot be determined whether or not the Mongolian attack on the Red Chinese was planned purposely for Algiers to shock the Algerians, but it was hard-hitting and thorough.

Pointing out that Asians must look to the Soviet Union for support, the Mongolian delegate regretted the difficulties faced by journalists in North Vietnam, North Korea and Communist China. Peiping is trying to divide the white and the colored peoples and to drive a wedge into the progressive ranks, he said.

At the Afro-Asian conference at Moshi, in Tanganyika, he continued, the Chinese and their helpers, including Indonesians, ignored the interests of the progressive journalists and attempted to break their solidarity along the lines of color, race and geography. Warning Peiping not to obstruct the great task ahead, he deplored the Communist Chinese actions at the Afro-Asian journalist conference at Djakarta where moves were initiated to prevent the Soviets representatives from attending even as observers.

By not attending the conference at Algiers, the Red Chinese have shown their utter contempt of the moves toward solidarity. But they cannot succeed, the Mongolian stressed.

And in conclusion, he called for peaceful coexistence, healthful cooperation among all na-

tions and hailed the Moscow agreement on the prohibition of nuclear tests. Needless to say, the Soviets and the Red Chinese differ on all of these points.

At the working sessions, held over a three-day period in three groups of from 40 to 70 members each, the lid was also tightly fixed on the subject. The delegates from Mali and Cuba were quite conspicuous in their attempts to lead discussions away from Communist China.

"Our task is to find points of agreement to bring us closer together," the delegate from Mali, the Minister of Information Hamadou El Beoshir Gologo, said. "Let us put aside our points of difference. We don't want a dialogue between capitalists and socialists nor between those who were working together until recently."

"The conference has already accomplished much. Let us not attack those who are absent."

The Cuban delegates also asked for tolerance of those who hold differing views and stressed that unity was more important than disunity. Significantly, the Cuban delegation also abstained from voting on the resolution approving the Moscow Test Ban Treaty.

The soft-pedaling of the Sino-Soviet differences did not necessarily mean that the Russians were backing away from the issue. It may have been that the Outer Mongolians did try to take up the cudgel for the Soviets against the Red Chinese as the Indonesian and Japanese Communists did for Peiping at the Moshi and the Djakarta A-A conferences.

It was revealing that the brakes were applied by Algerian and Mali delegates. These are the two points where the Red Chinese penetration of Africa has been the sharpest.

What would have happened if the Communist Chinese had attended? Undoubtedly, it would have been a more lively show. As it was, the shadow of Red China was cast heavily upon the conference—and the spark was missing despite the constant flow of fiery oratory.

JAPAN TIMES
23 OCT 1963

Shipboard Press Meet

Soviets Fighting Off Peiping's Race Pitch

By MASARU OGAWA

This is the second of a series of articles on impressions gained in the course of a two-week cruise on the Mediterranean Sea on a Soviet vessel on which the Third World Meeting of Journalists was held.—Editor

Top leaders of the Soviet press circles turned out in full force to the Third World Meeting of Journalists to emphasize the importance—at least to the Russians—of the conference which brought together about 250 newsmen from 60 countries.

The sponsor of the conference was the International Committee for Cooperation of Journalists with headquarters in Rome. It is an affiliate of the International Organization of Journalists, based in Prague.

Both are Soviet front organizations which have been visibly shaken as a result of the Sino-Soviet split.

The ICCJ-sponsored World Meeting was first held in Helsinki in 1956; four years later in 1960, it was opened in Baden, Austria. These were times when all was still sweetness and light in the Communist camp.

VIPs From Russia

The fact that the four-year stretch between conferences was shortened to three years at this time is indicative of the desire of the Soviets to retrieve ground lost to the Communist Chinese at last year's Moshi Afro-Asian Conference in Tanganyika and this year's Djakarta A-A journalists meeting in Indonesia.

Among the "big names" assembled by Moscow for the conference were Pavel Satiukov, Pravda chief editor and head of the Soviet delegation; Alexei Adzhubei, Izvestia chief editor and son-in-law of Premier Nikita Khrushchev; Dmitri Gorunov, Tass agency director general; Boris Burkov, Novosti director general; and Mikhail Kharlamov, Radio and Television director general.

This high-powered Russian team, surrounded by a dozen others, moved quietly and efficiently among the newsmen present with their friendly smiles and their show of willingness to listen and discuss various problems in private.

As an indication of the particular emphasis of the conference, Satiukov absented himself for a few days during the cruise to pay a flying visit to Ghana for talks with President Nkrumah.

Colored vs. Whites

The Soviets are particularly enraged over the racial lines the Peiping propaganda is taking toward the Africans. At Moshi and Djakarta, the Red Chinese were reportedly telling the Africans that they understood the problems of Africa

better than the Soviets. The Chinese belong to the same colored race and they are now in the same state of economic development as many African countries. The Russians are whites and they are far ahead in economic achievements. Thus, the Communist Chinese would point out, Peiping leaders understand African problems much better than the officials of the Kremlin.

Utilizing the deep hatred felt by many African Negroes toward the whites, the Red Chinese are apparently spreading distrust toward the Russians among the African people.

At Ease With Asians

In our own conversation with Africans, we often heard them say that they feel more at ease with Asians than with the whites, whether they be Communists or not. One African, who was present at the A-A Conference at Moshi, said he didn't understand the Soviet anger over the events there. Communist China and the Soviet Union had the same number of delegates. "But the Chinese were more popular because we just felt closer to them," he said, adding with a motion of his fingers across the throat that he could understand Peiping's reluctance to attend this conference.

In their eagerness to overcome this African feeling, the Soviet delegates were quite thorough in seeing that the Africans present were not left unattended. In fact, it seemed at times that our conversations with African delegates on the decks of the Litva were being interrupted quite frequently by Russians who happened to be passing by.

No Strings Attached

Satiukov, at one of the committee meetings, said pointedly that the Soviet Union knows exploitation through its past experiences and will do everything to combat it. He stated that the USSR was ready to aid Africa and Latin America. "We are not afraid of providing funds," he declared, "because it is for peace." He called it "noble assistance," and said no strings would be attached.

But if the Soviets were trying to win friends among the African countries represented, they also showed the utmost consideration toward us, the two observers from Japan.

With Communist China setting the pace by boycotting the

conference, the Asian representation was quite meager. The only countries represented by delegates or observers were Ceylon, India, Iran, Japan, Laos, Lebanon, Mongolia and Nepal.

The usual delegation from Japan, comprising of Communists and fellow-travelers belonging to the IOJ, declined to attend—and thereby paid deference to Peiping. The absence of this group was doubtlessly a disappointment to the Soviet organizers of the conference, for the Japanese support of Red China at Djakarta was a sore point with the Russians.

Japanese Observers

The Soviets, however, were obviously elated that we were attending, even though we were observers—and had been described by a Japanese IOJ leader in his letter declining the invitation as "conservatives and reactionaries."

In their apparent desire to show that they could work with Asians other than those subservient to Peiping, the Soviet delegation tried to place Japan on the presidium—the highest committee of the conference.

Although we declined a hurried request by a courier during lunch to serve on the presidium "because we are observers," my name was read off at the opening plenary session at Algiers as a presidium member. We protested immediately that we could not serve because of our role as observers. This was accepted.

Later the same night while drinking beer at the bar in the ship, we were asked by a Soviet editor why we had turned down the proposal. We told him we were observers and added that this was a great honor which should be reserved for delegates.

"That is a typical Japanese answer," he said. And he was, of course, right. But he added a moment later, "That is a joke, of course."

Not on Presidium

Later, he asked whether we would be willing to place just our name on the presidium list, if he could persuade the presidium to allow us to remain as observers and "with no strings attached." We promised to think it over. And when we failed to give him an answer, we were not included in the final presidium listing which included 11 from Europe, seven each from Africa and Latin America, two from Asia (Mongolia and Laos), and one from North America (Canada).

It would have been a real feather in the Soviet cap to have one of us from Japan on the presidium—not only to spite Peiping and its lackeys in Asia but also to prove the ideological unbiased of their conference.

SWISS REVIEW OF WORLD AFFAIRS OCTOBER, 1963

The Conflict in World Communism

By Ernst Kux

"Whatever the consequences the Communist conflict may yet produce, the contrasts between the free world and the Communist world are still greater than those between Moscow and Peking... Only by serving its own future, not by opening the doors to Moscow, will the free world be able to profit from the schism in the Communist camp." Thus the Neue Zürcher Zeitung specialist on Soviet theory and practice concludes this summary-survey of the current quarrel between Moscow and Peking.

Not very long ago it was being said in Moscow and Peking that Soviet-Chinese friendship was as everlasting as the Volga or the Yangtse Kiang; family-proud Mao spoke of "the big and the little brother," and Khrushchev based his predictions regarding the future superiority of the "Socialist camp" on, among other things, the Chinese population and economic potential.

Today Moscow and Peking are locked in a battle waged with government declarations and party epistles, to the accompaniment of an increasingly violent propaganda fire. As during Stalin's quarrel with Trotsky or after Tito's defection, they are mutually accusing each other of "betrayal of Marxism-Leninism," "Goebbel's propaganda of lies," "racism," "pan-slavism"; Communist rivals are called "agents of imperialism," or accused of creating antagonism between leaders and people. Dossiers recording the past sins of the opponent are opened, long-secret treaties or long-smoldering border conflicts are uncovered, past statements by the respective leaders assembled into monstrous documents. The two big Communist powers indeed are on the verge of a final break; two camps are taking shape in the East Bloc, and the quake spreads in waves to the Communist parties and front organizations all over the world.

Stalin's Heritage

Although factors of national and power politics are becoming increasingly evident in the quarrel, basically the Soviet-Chinese enmity remains a conflict within Communism, and the theoretical and practical components remain intertwined. Within the totalitarian Communist system ideology is not merely a facade for national interests or the ambitions of individual leaders, but a factor of power in its own right. It is in fact the ideological character of the quarrel between Moscow and Peking that endows it with the irrationality and vehemence characteristic of religious wars.

There was no need of the Chinese reference to the 20th Soviet Party Congress and the advent of "de-Stalinization" to reveal that the differences began with the death of Stalin and that they must be seen in line with the revolutionary eruptions in Eastern Europe in 1953 and 1956. Moscow's authority as the moral and political center was first shaken by intra-Soviet power struggles for Stalin's inheritance, then moderated by the beginnings of the updating of Soviet rule. Khrushchev's attempt to

transform Stalin's empire into a "Communist Commonwealth" was countered by the Chinese demand for a right of co-determination and advocacy of "independence and equality of all Communist countries and parties." Historical differences between Russia and China and the two countries' unequal development on the "way to Communism" increasingly conflicted with the uniformity of theory and practice that Communism demands. Mao was unable to keep up with Khrushchev's effort to modernize party rule and mobilize Soviet society, because that would have endangered his still unstable system and thus damaged Communism in China and in the world. Very soon the dispute as to whether the slowest or the fastest member of the Communist camp would determine its pace evolved into a dispute for leadership in the East Bloc and in world Communism.

In addition to these increasingly sharpening internal contradictions between Communist theory and practice, world-political developments added fuel to the quarrel. Western capitalism was developing in a way quite different from what Marxist dogma had prescribed for it. Not crisis and decline followed upon the second World War, but an unprecedented upward surge, not bitter and bloody rivalry, but far-reaching cooperation and integration among the countries of the free world. Stalin on the other hand left behind him an isolated and deteriorating empire heavily burdened by the crisis over Berlin and the war in Korea.

The Communists reacted variously to this no longer deniable contradiction between their dogma and worldwide reality, sharpened by technical and social developments that Marx and Lenin had not foreseen. Through tactical adaptation of dogma and with the aid of "peaceful coexistence" Khrushchev seeks to lead his country out of its isolation, to join up with the Western development, to eventually surpass it in "peaceful competition" and thus to acquire the power necessary to "bury capitalism." Mao on the other hand clings to the idea of a revolutionary transformation of reality and interprets events in Asia, Africa and Latin America as "storm signals of the world revolution."

Khrushchev and Mao

These contrasts in strategy and tactic of the struggle for the ultimate victory of Communism, which both Mao and Khrushchev desire, has within a few years led to the emergence of two centers and

SWISS REVIEW OF WORLD AFFAIRS OCTOBER, 1963

two camps in world Communism. The result thus far however has not by any means been an erosion of Communist ideology or dissolution of the Communist camp, but rather a sharpening of their ideological weapons and instruments, an increasing competition in world-revolutionary radicalism, and a new alignment around the Moscow center on the one hand, and the Peking epicenter on the other. No Communist party can avoid this polarization even if, as in Rumania or North Vietnam, it wants to wangle as high a price as possible for joining one or the other camp.

Thus far Khrushchev has not been any luckier with his China policy than was Stalin. On the occasion of his visit to Peking in October, 1954, he courted Mao's support in the internal Soviet struggle for power and in exchange gave him not only some Soviet control positions in China, but a right of co-determination in the Kremlin, a right of which Mao decidedly wanted to avail himself in the crisis of 1956. By generous gifts Khrushchev wanted to win Mao for his modernization of the East Bloc, and not until too late, perhaps, did he realize that he was merely creating an opponent for himself. Whereupon with draconic pressure he applied all those methods against China for which he had condemned Stalin's rule over Eastern Europe. By the non-fulfillment of the secret agreement on the equipment of the Chinese army with Soviet atomic weapons, by the sudden withdrawal of Soviet technicians in the summer of 1960 and by the promotion of irredentism in Sinkiang—where China has vital deposits of oil and uranium—Khrushchev was able to disturb China's development, but not to impose his line on Mao. His "big-power chauvinism" merely earned him the hatred of the Chinese, who felt hurt both in their faith in "Communist fraternity" and in their national pride. Khrushchev's attempt at the 22nd Party Congress to isolate China within world Communism failed. While his Cuban adventure ended in an embarrassing defeat for him, Mao conducted his successful thrust against India, evaluating it as confirmation of his conviction that Communist thrusts can be made without giving rise to an atomic war, and which certain observers in Asia already describe as a first indirect attack by China on the Soviet Union.

Cold War Between Moscow and Peking

The consequences of the Cuban crisis put Khrushchev in a precarious situation in which he found himself exposed to the Chinese water torture of ideological attacks. At home he had to face growing economic difficulties and possibly some opposition within the party leadership, while his quarrel with Peking wrought havoc with the international Communist movement. In this situation Khrushchev however succeeded by the conclusion of the Moscow nuclear test-ban agreement to initiate a successful counter-thrust by which he hopes to strengthen his

position and to isolate China. Tacking the label of "atom warmonger" on the Chinese, he seeks to brush up his own "peaceful coexistence."

The Chinese did not hesitate to reply. They concentrated their fire on Khrushchev personally, describing him as "the ally of American imperialists, Indian reactionaries and treacherous Titoists," and, for Western consumption, as a fickle politician and unfaithful treaty partner. Peking and Moscow, which until now had been enemy brothers, have become engaged in a full-fledged cold war.

Already Moscow describes the Chinese dogmatists as "the principal danger," and it looks as if the predictions according to which the Soviet Union would have to ally itself with the West against China were to come true sooner than expected. But the Soviet leaders should not for that reason be expected to abandon the red banner already. Rather they have made it clear that they want to exploit the split in the Communist camp to bring about a split in the Western camp. Also, Khrushchev seems to harbor the intention of maneuvering himself out of the tiring two-front position in which he finds himself between Peking and Washington by getting the United States involved in a controversy with China, to enable him to emerge from the tangle as the triumphant third. By emphasizing the idea of a non-aggression pact between NATO and the Warsaw Treaty countries Khrushchev attempts to achieve the success and consolidation he urgently needs in Eastern Europe—and to thus preclude the possibility of Washington's and Peking's pulling on the same rope, as they did in the case of Poland in the fall of 1956. Such a development would keep Moscow's back in Europe free against China and at the same time not exclude an involvement of the United States in Asia, for which conditions in India and Southeast Asia seem already set.

Although in the United States and in Britain the Communist quarrel is evaluated primarily as a conflict between two big powers—to which one ought to react according to the classical rules of power politics—Washington does not seem disinclined to let itself be drawn into Khrushchev's ideological campaign against China. While the Soviet-Chinese conflict begins to shift the world-political fronts, it does not make them simpler or clearer. Just as suddenly as a split of the absolute Communist dogma into two enemy components, each with its particular national emphasis, has occurred, a return to the common ideological foundations and aims may take place. The *bonmot* according to which Khrushchev's successor upon his arrival at the Peking airport will once again hail the "eternal Soviet-Chinese friendship" and attribute all responsibility for the quarrel to "that agent of the Vatican, Nikita Khrushchev," is not without some foundation in view of the reconciliation with Tito, the heretic of 1947. Actually the Chinese leaders, full of hatred as they are for Khrushchev, have repeatedly let it be understood to Western observers that they do

not expect the present quarrel to last since Khrushchev is to disappear before long.

Free World Tasks

While the duration of the currently deep Communist conflict remains uncertain, it would be rather dangerous for the Western powers to blindly adopt the Soviet assertions on Chinese "atom war-mongering" and "racism" and at the same time to fail to recognize the real Chinese intentions and threats. It ought not to be forgotten that in 1956 it was Khrushchev who enabled the Chinese to play a political role in Eastern Europe, and in 1957 promised to give them atomic weapons, while now he warns of the "yellow danger." On the Chinese side on the other hand there exists, for all the

revolutionary assertions, a remarkably realistic appraisal of the world situation, as when Peking points out the superiority of the United States and the West as against the insecurity of Communist domination in Eastern Europe and Asia.

Whatever consequences the Communist conflict may yet produce, the contrasts between the free and the Communist world are still greater than those between Moscow and Peking. Nor can it be the task of the free world to let itself be burdened with Khrushchev's failures in Peking. The history of the Soviet-Chinese conflict moreover clearly shows that the growing strength and cooperation of the West are of decisive influence on the break between Moscow and Peking. Only by serving its own future, not by opening the doors to Moscow, will the free world be able to profit from the schism in the Communist camp.

HINDUSTAN TIMES
19 October 1963

Peking's Isolation

by David Floyd

London:

THE Chinese Communists, who have become a sort of pariah among the nations after their split with Russia, are trying frantically to break out of their world isolation. But thus far their efforts have met with little success.

When Mr Khrushchev decided to get tough with Mao and to isolate Communist China from Russia, he was counting on the fact that the Peking regime has very few friends in the non-Communist world. He presumably hoped that, when the Chinese found themselves cut off from the rest of the world, both Communist and non-Communist, they would be forced to come to their senses and reach an understanding with Moscow.

Well aware of Mr Khrushchev's intentions, even in the years before the break the Chinese have been trying hard to draw people, parties and governments away from the Kremlin's wing. Their efforts have naturally been concentrated in Asia, Africa and Latin America—areas where Moscow's influence is not always so strong. But the only success they have had so far has been in the specifically Afro-Asian "front" organizations, which have a special appeal to the "have-not" peoples with yellow or black skins. It is this which has given the Russians some grounds for accusing the Chinese Communists of introducing an element of "racism" into what started as a political and ideological dispute.

China's relations with the rest of the world on the conventional governmental level are not impressive. Peking maintains diplomatic relations with a number of governments in Western Europe, including Britain. But, apart from their activities in Berne, the capital of Switzerland,

where their mission is believed to be both a training centre for budding Chinese diplomats and the headquarters of their foreign intelligence organization, the Chinese do not cut much of a figure.

Nor have they found many friends among the Communist parties of the rest of the world. Outside Asia only a handful of parties have even a pro-Chinese faction. The Russians admit the existence of such factions in the Communist parties of America, Brazil, Italy, Belgium and Australia. But in the case of the important Italian party, for instance, the pro-Chinese faction is no more than a small group of dissident individuals. In many cases—notably in the Japanese Communist Party—a flirtation with the Chinese turned out to be just a way of fighting out an internal squabble.

Next Clashes

Until recently it had appeared that the Chinese could count on the support of the enormous Indonesian Communist Party, or at least on its good will. But a lengthy stay by D. Aidit, the party's leader, in Moscow this summer suggests that the Russians are using all their powers of persuasion to correct this situation.

The Chinese cannot claim the backing of any parties in Africa. In Latin America they have sizable factions in the parties of Brazil, Chile and Mexico. But the attitude of the Cuban party of Fidel Castro is still unclear. Though dependent on the Russians for material aid, Castro seems intent on pursuing an independent course (he has still not signed the test-ban treaty), and he has, in any case, his own plans for Latin America.

In the "front" organizations, however, the Chinese have had a

little more success. It is on these, and especially on the Afro-Asian trade union organizations, that they are now concentrating their main efforts. This is where the next clashes are likely to take place.

A sample of what the Chinese are aiming at was provided by their handling of the Afro-Asian Journalists' Conference, held in Indonesia last April. There they succeeded in rallying sufficient support to exclude the Russians as full delegates from the conference and to secure the creation of an Afro-Asian Press Bureau and Journalists' Association which are now largely under Chinese direction. Though these bodies have only just got under way, the next meeting of their Secretariat in November is expected to reveal the extent of their influence in Asia and Africa.

But the Chinese are coming up against something more than purely Russian resistance to their efforts to build up an independent base in Africa and Asia. There are others who do not want to fall in with Chinese ambitions. Indian trade unionists are not ready to go along with Chinese plans. Marshal Tito of Yugoslavia and President Nasser of the UAR have other plans for the labour movement in the "uncommitted" nations. And many potential supporters of the Afro-Asian movement are suspicious of what use President Sockarno may intend making of it.

Meanwhile, the Russians are busy, notably through their own Central Asian possessions and politicians, trying to scotch China's plans. The conference in Indonesia, if and when it takes place, may well turn out to be a major defeat for Mao. It will reveal, in any case, whether Mao really has any real friends or allies in Asia.—FNS.

GENERAL

NEW YORK TIMES
31 OCT 1963FULBRIGHT VIEW
DECRIED IN PARIS;
POLICIES UPHELDFrench Voice Their Doubts
Senator Would Back Basis
of Cooperation He AsksBy DREW MIDDLETON
Special to The New York Times

PARIS, Oct. 30 — French sources complained today that Senator J. W. Fulbright's attack on President de Gaulle's policies reflected "an enormous misunderstanding" of the French Government's position.

They doubted whether the Arkansas Democrat himself would agree to reciprocal economic and military arrangements between France and the United States that would establish the sort of cooperation he seeks.

An alliance in which the United States and its European partners invariably agree on policy seems out of the question in the present circumstances, qualified sources said. In their view the increasing economic strength and military potential of Europe make differences inevitable.

Mr. Fulbright, who is chairman of the Foreign Relations Committee, said in the Senate yesterday that for too long "France has been a voice of negation and dissent" in the Western alliance.

Sharing of Burdens

The failure of France and other allies of the United States to share defense and foreign-aid burdens and to end protectionist trade policies could drive the United States out of Europe, the Senator warned.

One reaction to the criticism was a feeling of frustration and defeat among responsible French officials.

After Foreign Minister Maurice Couve de Murville conferred with President Kennedy and Secretary of State Dean Rusk earlier this month, the French believed that they had clarified and justified their position.

France's Power Reviving

This, they repeat, includes full support of the United States in any crisis—that over Cuba a year ago is always cited as an example—and a common desire for peace, security and eventual disarmament.

Only yesterday Mr. Couve de Murville emphasized to the National Assembly that although France might be a difficult ally, she was a loyal one nevertheless.

The French insist that in the present situation, with France re-emerging as an independent power, it is impossible to have an alliance with the United States without some policy conflicts.

General de Gaulle and his ministers foresee the eventual development of other independent European policies and, perhaps, of a collective European policy forged by those large states that eventually will control their own foreign and defense policies.

One basic French riposte to criticisms like the Senator's is that those who utter them do not understand that the path France has chosen, and wants Europe to follow, is the only realistic way to achieve a more even sharing of defense burdens in the Western alliance.

The French believe that when the great powers of Europe are committed to building effective national forces, as France is today, their governments will feel greater responsibility for defense and Europe will be stronger.

There is a pronounced feeling that among Americans who, like Mr. Fulbright, protest against European economic protectionism and the refusal to share aid and defense burdens, there simply is no understanding of what has happened in the last five years.

Indeed, some Europeans doubt that there is any desire to understand among American who they think, have become accustomed since 1945 to view European nations as clients or even vassals.

Europe's Growing Strength

At any rate, the position as it is seen by Frenchmen and by certain critics of American policy in Bonn and Rome is that Europe has now reached a point where its actual economic strength and potential military strength entitle it to make its own policies.

The French maintain that they are not isolated as a result of the drive for military and political independence.

Nevertheless, there is a growing awareness that the new West German Government is less willing to follow General de Gaulle's lead than was that of Dr. Konrad Adenauer. The most recent evidence was a statement by Dr. Gerhard Schröder, Bonn's Foreign Minister, on West Germany's decision to join talks on the establishment of a nuclear surface fleet under the control of the North Atlantic alliance.

Dr. Schröder emphasized in a radio interview that his Gov-

BALTIMORE SUN
31 OCT 1963

Ally Twice Told

At about the same hour the other day the Foreign Minister of France was addressing the National Assembly and the chairman of the Foreign Relations Committee was addressing the United States Senate. They were concerned with the same subject, the relations between the United States and France, and although the two countries are allies the speeches did not sound much alike. Senator Fulbright does not speak for the American Government, although on this occasion he was undoubtedly giving expression to Administration thinking; M. Couve de Murville does not always speak for President de Gaulle—only de Gaulle does that—but his policy review must be taken as official.

In essence, the Foreign Minister said that France had embarked upon its own defense program, exclusive of NATO, because the other European members of NATO had been so sluggish in their own military precautions. They had tended to rely wholly on American power, whereas France had made its own private atomic arrangements. By so doing, he said, France had "shown herself as having a national will, and as a result is a real ally."

Viewing the same developments an ocean away, Fulbright said that as an ally France "has been deeply disappointing." De Gaulle, he said, had been quick to offer agreement in principle while withholding cooperation in fact. France is on its way toward wrecking the Atlantic alliance and may even drive the United States out of Europe, Fulbright warned. The Western union, he said, depends upon political consultation, the proper disposal of military forces, economic cooperation and the lowering of trade barriers. The Senator saw de Gaulle blocking each of these goals.

If Couve de Murville wishes to discover the success of the policies he described to the National Assembly, he would do well to study Fulbright. He will not get it straighter than that from any American diplomat. The kind of plain talk now required of France's allies is not covered in the diplomatic manuals, but its urgency is none the less pressing.

ernment was not forced to choose between Paris and Washington. He said it had chosen the nuclear force, which is to be manned by seamen from the participating allies, because it provided an opportunity to cooperate in reinforcing the independence of the United States and Europe. This is a long way from the French view that the force, which was conceived by the United States, is another means of continuing American military leadership and that European influence can be achieved only by national nuclear forces on the French model.

WASHINGTON POST
31 OCT 1963

France and America

Senator Fulbright's forthright discussion in the Senate and Foreign Minister Couve de Murville's review of foreign policy in the French National Assembly this week have at least revived the trans-Atlantic dialogue on the future shape of the Western Alliance.

It is to be hoped that the French will not be so annoyed at the Senator's blunt reproaches and criticism of French policy that they will fail to sense the sweep of his constructive suggestions and the degree to which he spoke for a broad sector of American opinion. He was, to be sure, extremely critical. "For too long," the Senator said, "the voice of France has been a voice of negation and dissent within the Western community." He reproached France for an "excess of pride and assertiveness," for taking the position that America cannot be counted on to come to Europe's defense, for an attitude leading to disunity in the West. He warned that the United States will not abandon Europe but that it can be driven from Europe by isolationist trade and defense policies.

Couve de Murville, on his part, asked for a reorganization of NATO with a new distribution of duties and responsibilities. He defended the French insistence on a separate thermo-nuclear deterrent, on the control of its own forces and conceded that France may be a difficult ally, although still a loyal and sure one.

These accusatory and defensive maneuvers completed, the debate should move on to the area where constructive phases could commence.

If France finds Fulbright's scolding unpalatable, it should be able to approve some of his affirmative proposals:

The necessary complement of a greater European contribution to the alliance is a greater European voice in its vital decisions. Europe can and should be brought into the strategic planning processes which govern the use of America's nuclear arsenal.

Failure to devise the structural changes of NATO that would permit this no doubt is behind some of the trouble in the alliance. It is not easy to move from the Senator's generalizations to concrete and particular command arrangements to make them effective. Still, it needs to be said with more frequency and more emphasis that this country is ready and willing to consider and debate proposals for giving these generalizations practical effect.

MANCHESTER GUARDIAN
28 OCT 1963

South Africa to develop guided missiles

From our Correspondent

Johannesburg,
October 27

South Africa is to establish a rocket research institute near Pretoria, to develop a ground-to-air missile. Professor Louis le Roux, vice-president of the Council for Scientific and Industrial Research, said today "the Republic has been forced by events in Africa to enter the missile field." He also announced that the institute would be supplemented by a firing range "somewhere in the Republic."

According to the Government press, the cost of the missile programme will eventually run into millions. Key posts at the new institute have already been filled by scientists, most of whom have been trained abroad. Professor le Roux said defence research, which began last year, has already achieved some striking successes.

Intensified search for natural oil and plans for further oil from coal projects are other moves for countering external pressures and threatened sanctions against South Africa.

Senator Fulbright rightly said:

If the Western Alliance is to remain strong and united, it must be built on more than bonds of friendship and high regard. It requires working agreements for political consultations and the command and disposition of military forces, for economic cooperation and the lowering of trade barriers.

The trans-Atlantic debate on the future shape of the Western Alliance is given a curious unreality by the close correspondence of the expressed views of the two countries and the wide divergence of these views from what each believes is the other's secret view. In this country, it is widely believed that France is in the grip of an emotional nationalism that menaces the unity of Europe and the solidarity of the free world. In France, obviously, it is very widely believed that the United States is still essentially too isolationist and too nationalistic to share in any genuine way the command of the nuclear forces of the free world.

The remarks of Senator Fulbright and those of Couve de Murville have the virtue of bringing these aspects of our mutual distrust into the open where something can be done about them.

BALTIMORE SUN
31 OCT 1963

Moscow Asks U.N. To Back Summit

By PAUL W. WARD
(Sun Staff Correspondent)

New York, Oct. 30—Moscow's delegation today called on the United Nations Assembly to back Soviet Premier Khrushchev's proposal that an eighteen-nation summit conference be convened in Moscow within the next eight months.

The 111-nation Assembly "would not be doing its duty" if it did not appeal for such a conference, Nikolai T. Federenko, chief Soviet delegate, declared.

A meeting of the heads of all the governments involved in the disarmament conference begun at Geneva nineteen months ago is required to "lift it to the level of its task" and "produce a radical change in the negotiations," Federenko told the Political and Security Committee.

Successful Move

Meanwhile, the United States and Soviet delegations joined in a successful move to arrest a drive by the Assembly's "non-aligned" majority to suspend underground atomic tests until an enforceable East-West agreement to ban them can be negotiated.

The delegations got the eight "nonaligned" members of the Geneva Conference to join them in proposing a resolution that—devoid of any specific reference to underground tests—would have the Assembly simply call on the Geneva conferees to continue negotiations for a comprehensive treaty.

The eight nations are Brazil, Burma, Ethiopia, India, Mexico, Nigeria, Sweden and the United Arab Republic.

Left Seat Vacant

As participants in the Geneva Conference, they would be included in Khrushchev's summit parley along with Britain, Bulgaria, Canada, Czechoslovakia, Italy, Poland, Romania, the Soviet Union, the United States and France, although it has left its seat vacant since the currently recessed conference began in March, 1962.

Andrei A. Gromyko, Soviet Foreign Minister, renewed Khrushchev's summit proposal when he addressed the Assembly last month, but did not ask that the world organization support it.

Federenko prefaced his plea to the Assembly with a 40-minute speech, reviewing East-West disarmament negotiations to date.

He took stands diametrically opposed to those Charles C. Stelle had taken yesterday for the United States.

He avoided mention of Washington's announcement last night that a group of accused Soviet spies had just been caught in the New York area, including three members of Moscow's United Nations delegation. And also neglected Moscow's ritualistic charge that disarmament inspection machinery urged by the United States would open the Soviet Union to Western "espionage."

Federenko repeated a charge made September 19 by Andrei Gromyko, Soviet Foreign Minister, that the Geneva conferees have been getting nowhere due to "the unwillingness of the Western powers to accept real disarmament."

Most of his speech was devoted to that contention and building up to his ultimate claim that an eighteen-nation summit conference on "both disarmament and separate measures to achieve the further alleviation of international tensions" is imperative.

"Detrimental To Peace"

He renewed Soviet proposals for turning various parts of the world into "denuclearized zones," which the American had warned, "would alter the balance of power in a way that would be detrimental to world peace."

The Soviet Union insists on international control over "disarmament" and "cannot accept control over armaments," Federenko said.

He also reasserted, after the resolution about atomic tests had been introduced this afternoon, Moscow's contention that "national means of detection are sufficient to detect, verify and control" any underground atomic tests that might be staged in clandestine violation of a treaty banning them.

Speaking in support of the test-ban resolution a few minutes earlier, Stelle stressed the United States insistence that "national means" are technologically inadequate at present and that, therefore, international machinery is required.

Besides proclaiming Moscow's persistent opposition to "on-site inspections," Federenko jumped the gun on the test-ban resolution. He began speaking about the

proposal not only before it was introduced by Abdel Fattah Hassan of the U.A.R. but also before at least two of its sponsors had been notified that a backstage agreement on its wording had finally been reached.

Meanwhile, as the Political and Security Committee put off a vote on that resolution until tomorrow afternoon, there were these additional developments at United Nations headquarters:

Agreement Reached

1. The Assembly's stage managers arranged for ratifying, in a plenary session Friday, an agreement reached yesterday to end a contest between Czechoslovakia and Malaysia for a two-year term on the Security Council by awarding the seat to Czechoslovakia for 1964 and to Malaysia for the following year.

2. They also arranged for beginning Friday debate on a proposal to tap all available United Nations funds to aid in the rehabilitation of hurricane-wracked Cuba, the Dominican Republic, Haiti, Jamaica and Trinidad-Tobago.

Mindful of the fact that Washington provides at least 40 per cent of the funds to be tapped, the United States' delegation was still trying as of tonight to get the pending resolution changed so that it would refer only to "the Caribbean area" instead of specific countries there.

Report Prepared

3. U Thant, the Secretary General, prepared for publication tomorrow a progress report on the world organization's efforts, at Afro-Asian and Soviet bloc behest, to strip Portugal of all its African possessions. It is expected to announce suspension until November 21 of talks between African delegates and representatives of Portugal.

4. Thant expressed his "gratification" that an Algerian-Moroccan truce was reached today and his "hopes that this will lead to a final and peaceful settlement." He managed thereby to offset some of the embarrassment earlier today because of a report on the situation in Yemen.

The report to the Security Council concluded with an announcement that he must withdraw the United Nations force of 200 "military observers" and plans to substitute for them "a civilian United Nations presence" in Yemen.

THE GUARDIAN

Manchester

Monday, October 28

Five minutes from destruction

One year ago this morning, the world seemed nearer than ever before to a nuclear disaster. As one of President Kennedy's advisers said afterwards, they felt in Washington that they could be "within five minutes of destruction." By mid-afternoon, Greenwich time, the crisis was almost over. Mr Khrushchev had undertaken to dismantle his missile bases in Cuba and to let United Nations representatives verify the fact. On both Mr Kennedy and Mr Khrushchev the crisis must have left a deep mark. Neither will willingly venture so near the brink again. They had been brought to it by misjudgments on both sides—presumably by advice to Mr Khrushchev that the Americans would not react so strongly to the placing of missile bases in Cuba, and by advice to Mr Kennedy that the Russians would not be so foolish as to try putting offensive missiles there. But the Russians tried it, and the Americans reacted.

By October 28, eleven days after President Kennedy first heard what the Russians were doing and four days after the blockade of Cuba had been imposed, a choice had to be made in Washington. Mr Khrushchev had been warned that, one way or other, the Russian missiles must be removed. No time limit had been stated, but unless Mr Khrushchev gave way soon Mr Kennedy had to act—by pinpoint bombing of the sites, by a parachute assault, by a massive invasion of Cuba, or by a nuclear strike on the bases. American forces, including a great invasion fleet off Florida, were ready for any of these courses. Throughout the world, at the same time, American and some allied forces were on a full alert—the first ever called, and so far the only one—while on the Russian side intercontinental missiles must also have been manned and ready for the countdown. But Mr Khrushchev saw the folly of persisting, and a settlement was quickly reached.

It was a near thing. The most reassuring aspect was that both men, soon afterwards, made plain that they understood this. Out of the acute tension over Cuba, and assisted by the Russian breach with China, came the improved relations of the past year. The agreement on a "hot line" linking the White House and the Kremlin was one immediate physical result, and that line is now in operation. Mr Kennedy and Mr Khrushchev both knew and acknowledged that disaster was averted in October, 1962, only because they maintained constant diplomatic contact—and because U Thant, on behalf of the United Nations, found a formula for giving both time to think at the beginning of the blockade.

The agreement on a test-ban treaty was another benefit that followed the crisis. President Kennedy felt bitterly that he had been personally deceived by Mr Khrushchev, both over the nuclear tests moratorium in 1961 and over the missiles in Cuba. The test-ban treaty this year was part of Mr Khrushchev's attempt to make amends—and within two weeks of the Cuban settlement last year "Pravda" and "Izvestia" were showing plainly that he wanted to use it in this way.

The lessons of the crisis are many. Internationally, we need to go on looking for agreements. We need also to remain armed—and ready to use force when confronted, though always the least force that will be effective. Russia was and is an expansionist Power. Mr Khrushchev has learned the risk of expansion; his successors may not recognise it. Agreements, however, can help to reduce the dangers—agreements that, at the next stage, should move towards nuclear-free zones, towards a thinning out of troops in forward areas, and towards eventually removing all nuclear weapons from foreign soil. There is also the need to stop the spread of nuclear weapons to further nations. If the threat to the world was great when only three nations possessed nuclear striking forces, it will be far greater when ten or twelve nations do so; and it is lamentable that, in the past year, no practical steps have been taken, apart from the test-ban treaty.

Within the alliance, the chief lesson is that Governments ought to consult each other and that decisions ought to be shared. In the last resort, in a fast-moving situation, one man has to decide; and nobody now is likely to challenge the skill and sanity of Mr Kennedy in his action. But the fact remains that senators from California and Arizona were flown back to Washington for urgent and secret consultations; London and Paris were no farther away, but senior Ministers were not invited to take part in the White House discussions. For decisions to be shared, and for the European members of the Atlantic Alliance to have full confidence in what is being done, a stronger system for planning and consultation is essential. Mr Dean Rusk yesterday pointed once again to the failing of NATO members to meet their commitments in forces and to the uncertainty on "who speaks for Europe." These are fair criticisms, and they were made at the time of the Cuban crisis. But the United States, too, in spite of the generous way it has shouldered a disproportionate burden within the alliance, could still show itself to be more of a partner in taking decisions.

NEW YORK TIMES
31 OCT 1963

3 AT U. N. OUSTED IN SOVIET SPY CASE

**Russians Must Leave U.S.
Within 2 Days—2 Others
Are Held Without Bail**

Three members of the Soviet mission to the United Nations were ordered yesterday to leave the United States within 48 hours.

The expulsion order, issued by the State Department, followed accusations that the three were participants in an espionage ring that was said to have received data on a worldwide communications and control system being developed for the Strategic Air Command.

A New Jersey engineer who was accused of passing the defense secrets to the Soviet diplomats and a Russian chauffeur, who lacks diplomatic immunity, were being held without bail in the Hudson County Jail at Jersey City.

U. N. Agreement Cited

The Soviet mission called the ouster a "deliberate provocation" against those who sought to better relations between the two countries.

The State Department's note said the three diplomats had flagrantly abused their privilege of residence in this country and were subject to expulsion under an agreement between the United States and the United Nations.

The Federal Bureau of Investigation moved against the ring on Tuesday night after seven months of surveillance.

Four of the men were seized at a clandestine meeting at the Erie-Lackawanna Railroad station in Englewood, N. J., during which classified information was said to have changed hands.

The four were the engineer, John W. Butenko, 38 years old, of Orange, N. J.; Gleb A. Pavlov, 39, an attaché; Yuri A. Romashin, 38, third secretary of the mission, and Igor A. Ivanov, 33, described as a chauffeur at the New York office of Amtorg, the Soviet state trading company.

The third Soviet diplomat whose ouster was ordered, Vladimir I. Olenov, was said to have been present at earlier meetings of the group. He was not taken into custody.

Had Top-Secret Clearance

Mr. Butenko, a husky six-footer with black hair, had been employed since 1960 by the International Electric Corporation of Paramus, N. J., a subsidiary of the International Telephone and Telegraph Company. The F.B.I. said he had a top-secret security clearance and was in charge of maintaining a master schedule for the Air Force project.

Because the F.B.I. was aware of the spy plot and said it had shadowed Mr. Butenko at four previous meetings with the Russians, it was assumed that the material that came into his possession had been altered to preserve defense secrets. However, the Federal agency would not comment on this.

Nor would the F.B.I. suggest a motive for Mr. Butenko's asserted spying.

Both his parents were born in Russia. His mother died in 1957. Mr. Butenko, a bachelor, lived with his father, a semi-invalid in his eighties, in a modest three-room apartment in a turreted private house at 366 Park Avenue.

Neighbors there described him as a quiet, friendly man, but withdrawn, and apparently without major extravagances or expensive hobbies. His salary was \$14,700 a year.

He was born in New Brunswick, N. J., and served in the Navy for 11 months before receiving a medical discharge in 1944. He was graduated from Rutgers University with honors in 1945.

Before joining the International Electric Corporation, he worked for the Radio Corporation of America in Harrison, N. J., the Armed Services Electronics Agency at Fort Monmouth, N. J., and the Civil Aeronautics Administration, now the Federal Aviation Agency, in Jamaica, Queens.

Constant Surveillance

Mr. Butenko and Mr. Ivanov were being held in maximum security cells at the Hudson County Jail, under constant observation. Both men were described as completely calm.

Both pleaded not guilty at their arraignment early yesterday and were held in \$100,000 bail each. But during the afternoon David M. Satz Jr., United States Attorney in Newark, moved successfully to have bail revoked on the ground that both men might flee the country.

Face Death Penalty

Mr. Satz also pointed out that the offense carried the death penalty. The wording of the charge against the two is "delivering to a foreign government information relating to the national defense of the United States."

Mr. Satz said he hoped to present the case to the grand jury within two weeks.

In relating the events that led up to the arrests Tuesday night, the F.B.I. said Mr. Butenko had carried a briefcase to the meeting at the railroad station, as he had previously.

When the Federal agents stepped from the shadows around the station, deserted after the evening rush hour, they found it in the automobile in which Mr. Pavlov and Mr. Ivanov were sitting. The car was said to be fitted with a miniature document camera powered by the cigarette lighter. Mr. Romashin, who was said to have acted as a lookout, was seized near by.

All four were taken to the Hudson County jail, which is used for the confinement of Federal prisoners in northern New Jersey, until Mr. Pavlov and Mr. Ivanov established their diplomatic immunity to arrest.

The F.B.I. reported that it had observed earlier meetings that followed much the same pattern in Closter, N. J., on April 21 and May 26, and near Paramus on May 27 and Sept. 24.

The arrests marked still another episode in a year in which an unusually large number of espionage incidents has been made public around the world. A table compiled by The Associated Press lists 19 major cases.

EASTERN EUROPE

BALTIMORE SUN
31 OCT 1963**Economic Decisions Linked
To Control By Khrushchev**By ERNEST B. FURGURSON
[Moscow Bureau of The Sun]

Moscow, Oct. 30 — Soviet economic decisions to quit the moon race, buy Western grain and expand chemical output are all major political decisions demonstrating how firmly Premier Khrushchev is now in control.

There is little doubt among observers here that Khrushchev's stated unwillingness to compete with the United States in sending men to the moon—if it is to be taken at face value—is primarily motivated by lack of funds rather than advance concern for the safety of those men.

Enormous Cash Outlays

There is even less doubt that the Russians would slow down their prestige-winning space program if it were not for the enormous cash outlays demanded by the other two decisions, which have been given foremost short and long-range economic priority. Khrushchev, although he has based his recent career on the promise of more and better things for Soviet consumers, probably would not—or even could not—have forced through those decisions as recently as seven months ago.

Although they differ as to the genuine significance of the coincidence, close followers of Kremlin policy note that a shift in the Premier's public attitude immediately followed the sudden serious illness of Frol R. Kozlov, the party secretary who long was Khrushchev's heir apparent.

Speculate On Backdown

Last February, there was growing speculation that Khrushchev was in trouble in the wake of his Cuban backdown. In the view of outside experts as well as some Communist party members, the hard-line opposition to him was led by Kozlov.

On February 27, Khrushchev told a Kremlin "election" meeting that arms spending would continue to take priority over meeting the people's daily needs.

"We would like to build more enterprises putting out things for the satisfaction of man's requirements.... To give more good things to the people is the main aim of the Communist party.... On the other hand, life demands the spending of huge sums on keeping our military might at the required level. This fact diminishes, and cannot but diminish, the people's chances of obtaining direct benefits," Khrushchev said.

Two weeks later, Dimitri F. Us-

tinov, longtime arms production chief, was named head of the new Supreme Economic Council and joined Anastas I. Mikoyan and Alexei N. Kosygin as a First Deputy Premier below Khrushchev.

Another month later, Kozlov made the last appearance before his illness. He has not been seen in public since.

Another Public Speech

And exactly two weeks after that, Khrushchev, in another public speech, hinted at a turn in official thinking.

He denied that Ustinov's appointment meant the Soviet Union would "produce only rockets" and said one of his duties would be to oversee efficiency in the secret defense industry.

"The defense industry is coping successfully with its task to create and produce modern arms, but it could be solved more successfully with less spending," the Premier declared to industrial and construction workers at the Kremlin.

Again on July 19 Khrushchev told a Soviet-Hungarian friendship rally that the expansion of chemistry would bring "increased production of beautiful high-quality consumer goods."

Dramatic Announcement

Last week's broad-ranging interview with Communist and left-wing journalists, including the dramatic announcement that the Soviet Union would not race America to the moon, seemed to set Russia firmly on the changed course.

Parallel to this shift in economic emphasis—and it is a shift in emphasis, rather than a drastic about-face—still more spectacular political events were taking place.

The signing of the atomic test-ban treaty and the relaxation of the crackdown on intellectual expression were moves in the same direction as the new drive for consumer satisfaction.

And it was a direction Kozlov would not have liked.

There is no public proof that Khrushchev was bound by a cabal led by Kozlov when he made his "guns-before-butter" speech in February, or that Kozlov's disappearance from active politics

freed Khrushchev to turn the other way. Events inside the party presidium are as secret as those inside Soviet rocket bases.

But the difficult decision to spend Soviet gold on wheat abroad, even though Khrushchev said that with rationing the people would have had enough to eat in this disastrous farm year, could not have been made by a Premier in the same political situation as the Khrushchev who made last February's speech.

To cut back the rate of steel production increase, and reportedly oil-output growth as well, in order to fund plastics, fertilizers and artificial fibers, also is not the sort of decision a "guns-before-butter" leader would make.

Exactly how extensive the sacrifice of more traditional production to boost chemical output will be should be concluded at a party Central Committee plenum scheduled for next month.

The fast-moving economic and political developments of the past summer and fall, along with the projection of domestic and international policies to follow them up, also will be docketed at the plenum.

Personnel Problems

A decision on whether to retain Kozlov on the party presidium or remove him because of his lasting illness may be made. Other personnel problems exist at the top party level.

Mikoyan is reported sick, as is Mikhail A. Suslov, theoretician and presidium member; Otto V. Kuusinen and Nikolai M. Shvernik, presidium members, are aging into inactivity.

The political future of Ustinov, the former arms industry boss who by background would have been one of the main opponents of the recent economic shifts, may be determined. Soon after he became First Deputy Premier, there was a hint in Pravda that he would be moving into the top party hierarchy, perhaps as Kozlov's replacement.

But since then he has been inconspicuous, while Kosygin, long known as a light industry advocate, has become more and more prominent on public occasions.

Because of these pending decisions, and because a stiff breeze of change is blowing through the Kremlin, next month's party meeting will be a plenum to watch.

THE WASHINGTON POST

A 22 Thursday, Oct. 31, 1963

**Soviet Cuts
Purchases
From West**

By Preston Grover

MOSCOW, Oct. 30 (AP)—Western businessmen in Moscow report a sharp reduction in Soviet orders for commercial products and industrial machinery.

There is always a lull in the weeks before the annual Soviet budget comes out in late November or December, for the budget gives purchasing agencies a line on how much they can spend. But the lull is more marked than usual this year.

Some representatives here have been told frankly that there is a shortage of funds due to the nearly \$1 billion that has been spent for foreign wheat to make up for a poor Russian harvest.

"The hold-down is about 50 per cent due to the budget and about half due to the need to buy wheat," a Western diplomat said today.

Fertilizer Machinery Sought

One exception is machinery to make chemical fertilizers. A demand persists for that, though there is pressure for long-term credit. Increased use of fertilizers is one point in Premier Khrushchev's program to boost agricultural production.

British, Italian, Japanese and West German firms are among those feeling the pressure. All are chary of mentioning figures.

Italian suppliers have been told that much of their dealings must be switched over to fertilizer equipment. Orders for textiles, shoes and various chemicals were reported canceled.

"They have told us to come around again at the end of 1964 or the beginning of 1965," one business representative said.

Soviet purchases outside the Communist bloc normally run about \$1 billion to \$1.2 billion a year. The United States shares in only a few score million dollars of this trade.

Money Reserve Unknown

Just how much spending money the Soviet Union has is always a carefully guarded secret. Gold production reputedly runs from \$200 million to \$300 million a year.

That amount of gold has been sold annually on the European markets for several years to make up the chronic deficit between what Russia sold in the West and what it bought.

Some diplomats were taken recently on a tour of the Far Eastern Siberian gold mines. They said production is being stepped up. The mining is difficult and expensive since many of the deposits are in areas where the ground is permanently frozen.

Costs of mining gold in some places are estimated at about twice the world price of gold, but of course such costs are paid for in rubles, not in foreign exchange.

MANCHESTER GUARDIAN
28 OCT 1963

Mr K. puts agriculture before heavy industry

By VICTOR ZORZA

Mr Khrushchev has proposed that the industrial development of the Soviet Union should be slowed down to make resources available to cure agriculture of its perennial crisis, but his views do not appear to command the full support of his associates in the leadership.

The burden of Mr Khrushchev's argument, in remarks to a meeting of journalists published in the Soviet press yesterday, is that agricultural failures of the kind that occurred this year could be averted only by much greater use of chemical fertilisers.

The chemical industry that could produce these in sufficient quantity could be built only if some of the present industrial development plans were temporarily shelved. The indications are that Mr Khrushchev favours the slowing down of industrial development in steel and engineering, and that this has been opposed by some of his associates.

Mr Khrushchev said that specific plans for the development of chemicals would be discussed at the meeting of the Central Committee next month. "Perhaps it will be necessary," he added, "to slow down somewhat the development of some branches (of industry) in order to give priority to the development of chemicals in the next three to four years."

Rapid progress—later

After this, when a powerful chemical industry had been established it could serve as the basis to make good the lag in the development of other industries "which we have held back a little." A more powerful chemical industry would "guarantee the accumulation of funds" that would ensure more rapid progress in other industries. "From the economic point of view," he argued, "it is worthwhile to hold back the development of some other branches."

Judging from hints Mr Khrushchev has dropped in the past, this is something he has believed for several years. Other hints dropped by other Soviet leaders suggested that his beliefs were not shared by all of them. The failure of the Soviet Government to adopt a policy Mr Khrushchev has clearly favoured for so long would appear to have been due to the difficulty of coming to a unanimous decision.

Mr Khrushchev's new tactics of advocating openly the slowing down of industrial development in favour of chemicals can hardly mean that his view has now prevailed. The language he uses suggests rather that the moment of decision is near, and that he is therefore going over to the attack in public. Mr Khrushchev has used these tactics on previous occasions, when he made public speeches advocating certain policies on which the party Praesidium was still divided.

20,000 million roubles

The Soviet leader said that the provisional estimates of the "enormous sum" required for the development of the chemical industry in the next seven-year plan period were put by economists at 20,000 million roubles.

He emphasised that the development of the chemical industry was intended to provide consumer goods as well as fertiliser, and indicated that the debate about the allocation of resources also touched on the sensitive subject of defence. He did this by the usual Soviet device of attributing to the "imperialists" some of the views that the Soviet leaders seem to be arguing about.

The imperialists might think that the Soviet Union was going to spend large funds on the development of the chemical industry and irrigation. Mr Khrushchev said, and that it would therefore not allocate money to armaments. Therefore, they might reason, "We will outstrip the Soviet Union in the development of armaments."

"But, Mr Khrushchev exclaimed, "this will not come off, Messrs Imperialists. Do not rejoice! We have done and are doing whatever is necessary for defence. The rockets have already been built, and they are standing where they should."

Mr Khrushchev's argument does sound as if he were reassuring Soviet critics of his policy rather than foreigners.

MANCHESTER GUARDIAN
28 OCT 1963

DIPLOMATIC COMMENTARY

Ulbricht's sixth heaven

by Terence Prittie

THE Ulbricht regime in East Germany achieved its most brilliant success so far when on October 20 99.9 per cent of the people of East Germany voted for the single-list candidates of the Communist - drilled "National Front." This did not have the publicity it deserved in this country.

I think it was a pity that the British public was not more fully informed of this event. Walter Ulbricht, the dictator of East Germany, was presumably in his sixth heaven, for he had gone closer to achieving total conformity among his subjects than any other totalitarian ruler, Nazi or Communist, in history. He was, if we believe the fantastic figure of 99.9 per cent, only a stone's throw from the end of the rainbow, the 100 per cent which eluded Hitler and Stalin so much more easily. He stands today on a lonely pinnacle in the annals of electoral forgery.

For one must analyse this 99.9 per cent result. In the first place, East German electors have only the option of casting a vote for the single-list National Front candidates. Not only is there no legal political opposition to the National Front, with Opposition candidates, it is not even possible to vote "No" to the National Front. It was still possible to do this in 1949, when the Communists—backed by Russian bayonets and a fanfare of one-way propaganda—were only able to secure a 60 per cent "Ja" vote. Today one may not vote "No"; one can only stay away from the polls.

This, too, is only theoretically possible. In practice, all East German citizens are registered, and all are expected to vote. In order to ensure that they do so, the Communist authorities introduce an insane spirit of fun. Towns, villages, and whole electoral districts enter into competitions with one another in order to be the first to record a completed, preferably 100 per cent poll. Communist functionaries herd people from their homes at seven o'clock or even earlier on a Sunday morning, drive them like cattle to the polling booths, and see to it that they vote the right way when they get there.

This is done by employing overt intimidation. East German elections, according to the East German Constitution, are both "free" and "secret." Their degree of freedom has already been indicated. Their secrecy is equally nonexistent. Not only are East German citizens forced to the polls. When they get there, they are invited to participate in a "spontaneous" open declaration of faith; they fill in their forms publicly and hand them to an industrious Communist eye-teller. Anyone who refuses to join in the farce

is immediately suspect. Rightly so, for he needs to be as obstinate and determined as Baalam's ass, or as brave as any Christian martyr. Is it surprising that only 0.10 per cent of the East German population acted in this way on October 20?

East Germans are pressganged to the polls. When they get there they are frightened into voting for the regime. Their votes will have no influence on the composition of the East German Parliament, or "Volkskammer"; this has been settled in advance. For instance, the ruling Socialist Unity (Communist) Party usually gets 55 per cent of the seats in the "Volkskammer." This year it will get 59 per cent. The remaining seats have been divided up between puppet political parties and purely Communist "mass organisations." Apart from all this, last week's

East German elections were 11 months late; the Constitution lays down that elections should be held every four years and these were due in November, 1962.

One last fact about last week's elections should be recorded. The East German electorate continues to shrink. In 1958 it amounted to 11,848,000; last week it was 11,604,000. In East Berlin the electorate was down from 916,000 to 873,000. You can play all sorts of tricks with percentages; even Walter Ulbricht has hesitated to invent more subjects.

The East German electoral system has been described in detail before now. In fact, sheer repetition has dulled this particular picture of tyranny; East German elections are no longer "news." This is understandable, but it has led to some curious theories being propounded by citizens of Western democracies who ought to know better. There are in this country, for instance, some very vocal Left-wing Labourites and some more inhibited but financially more interested Conservatives who want the Ulbricht regime to be recognised. These people want Germany to stay divided: to them it is

apparently of no consequence that 17 million Central Europeans should continue to be ruled by an alien tyranny. This, they think, is either "Hitler's fault, anyway" or a logical concession to political expediency. These people think that they can create a settled, happy Europe on a basis of wrongdoing and evil. They are the present-day "men of Munich."

Less obviously cynical are the views of those who think that all dictatorships are "bad," and therefore equate East Germany with Spain or Portugal (or even Gaullist France). Recently a correspondent wrote to me that East Germany and Portugal should indeed be exactly equated and that I would do well to mete out the same criticism for Salazar as for Ulbricht.

The true answer to this correspondent is as follows:

Portugal is not a detached part of another country and its people do not wish to be reunified with that other part of their own country. East Germany is not, never will be a State in its own right, and its people wish to be reunified with their 55 million West German brethren.

Salazar is not an alien dictator, installed by a foreign Power. Ulbricht is. Nor would the huge majority of the Portuguese people disown and reject Salazar, given free elections. The huge majority of East Germans would disown and reject Ulbricht. Finally, Ulbricht has driven more than 3 million East Germans from their homes. Only a few thousand Portuguese (it may only be a few hundreds) have suffered a similar fate. Unreal equations can only cloud issues.

Mr Harold Wilson has his own theory about the Ulbricht regime. This is that its existence should be recognised, like "that of an elephant." This, again, is a false analogy; the elephant is a noble animal and its existence is a fact which one does not want to challenge. The Ulbricht regime is ignoble and unnatural. As the ultimate embodiment of Machiavellian principles it is a threat to European and world peace. It is a pity that Mr Wilson cannot be clear about this. And it is equally a pity that all of us were not told about Ulbricht's 99.9 per cent "Ja" vote, a milestone of megalomania which even Khrushchev—in his present magnanimous mood—apparently can no longer control.

WESTERN EUROPE

WASHINGTON POST
31 OCT 1963

Role of Socialists in Coalition Rule

May Reshape Italy

News Analysis

By Leo J. Wollemborg
The Washington Post Foreign Service

ROME, Oct. 30—A new chapter and possibly a new era in the history of modern Italy opened yesterday when the Socialist Party Congress formally authorized direct participation by the Party in a coalition government with the pro-Western Christian Democrats, Social Democrats and Republicans.

As underlined by party leader Pietro Nenni today, this decision does not only mean that the Socialists are ready to start official negotiations for the formation of such a center-left regime as soon as Premier Giovanni Leone's caretaker government resigns early next week. It means that the majority of the Socialists are determined at last to join actively in the effort to turn Italy into a modern democracy, without letting themselves be hamstrung any more by a doctrinaire "class" approach.

Time and again, since the Socialist Party was first formed in 1892, its refusal to share in the government with the "bourgeois" forces was responsible for "lost opportunities" to strengthen democratic institutions and promote the interests of the Italian workers—as Nenni himself acknowledged in his opening speech to the Congress last Friday.

Stand Helped Fascists

That continued refusal played a major role in paving the way for the Fascist dictatorship in 1922.

After the downfall of fascism, the Socialists participated in the governments formed during the last months of World War II and its aftermath. But those were emergency coalitions, and had the support of all the anti-Fascist parties, including the Communists.

In the early post-war years, Socialists joined in a close alliance with the Communists to oppose the democratic and pro-Western coalition governments that ruled Italy after 1947. This in turn gave Italy's conservative forces a controlling influence within those coalitions. The consequent failure to adequately modernize Italy's

social and administrative structures was largely responsible for continued Communist gains, even though the country was experiencing unprecedented economic expansion.

Now, the outcome of the Socialist Congress offers at last a concrete opportunity for a departure in Italian politics.

Platform Draws Opposition

To be sure, the platform, which has been approved by the Congress and which reflects the views of almost 60 per cent of the rank and file, cannot be considered fully satisfactory by the leaders of the Christian Democratic Party and their allies.

In foreign policy, the majority of the Socialists have reaffirmed their support for the political and economic integration of Europe, which should include Great Britain and pursue an outward looking course in economic and commercial affairs. They now accept Italy's membership in NATO and the consequent obligations.

But the Socialists show a marked distaste for the whole idea of a multilateral nuclear force for NATO.

In domestic policy, the majority of the Socialists agree that the Communists must be excluded from the projected center-left government's majority. They have taken further steps to loosen their ties with the Communists in the local administration. But they still hesitate to go all the way in that direction.

Press for Reforms

At the same time, the Socialists are pressing for speedy implementation of broad economic and social reforms which, while more typical of a modern democracy than of a Socialist society, are opposed not only by the conservative groups but also by many moderate forces within the Christian Democratic camp itself.

Another question mark is represented by the attitude

of a faction within the Socialist majority which, on several domestic and foreign policy issues, favors a line somewhat different from that pursued by Nenni.

Last June, this faction, led

by Riccardo Lombardi, torpedoed a tentative agreement on negotiations for a center-left government. The Lombardi faction, however, appears to have emerged from the Congress somewhat weaker than it used to be.

NEW YORK TIMES

31 OCT 1963

ITALIAN CABINET EXPECTED TO QUIT

Complex Negotiations for Government Awaited

By ARNALDO CORTESI

Special to The New York Times

Rome, Oct. 30—Premier Giovanni Leone and his stop-gap Government are expected to resign next week, perhaps on Tuesday. The formation of a new cabinet is expected to be difficult.

It is almost certain that the dominant Christian Democrats will first ask their party secretary, Aldo Moro, to form a new government. He is expected to try to bring into being a center-left coalition that would include Pietro Nenni's left-wing Socialists.

The 35th congress of the Socialist party authorized Mr. Nenni yesterday to open negotiations with the Christian Democrats with a view to partnership in forthcoming governments. Socialist participation, however, was made dependent on a number of conditions that the Christian Democrats may not accept.

His Votes Needed

Mr. Nenni will be in a strong position to negotiate with the Christian Democrats. The 260 Christian Democrats, 33 Democratic Socialists and six Republicans don't have a majority in the chamber, which has 630 seats. They are in absolute need of the 87 left-wing Socialist votes.

On the other hand, Mr. Nenni's position will be weak because his majority in the Central Committee of his party is not firm. Riccardo Lombardi controls some of the seats that Mr. Nenni includes in his majority and it was Mr. Lombardi who last June rebelled against a Nenni plan to give parliamentary support to a government Mr. Moro was seeking to form.

It will therefore be Mr. Lombardi who will be dictating the conditions for a left-wing Socialist entry into a government.

The negotiations to form a government will take place while the country is in a difficult situation.

Charges to Nenni

Mr. Nenni is committed not to permit a policy of deflation. The Socialist Congress also charged him to organize a planned economy and to introduce major reforms in the organization of the Italian state. The Christian Democrats will certainly find some of these positions extremely unpalatable.

Despite the difficulties, the negotiations are generally conceded to have a 50-50 chance. Either they will succeed or Parliament will probably be dissolved and general elections held. Deputies of all parties are strongly opposed to this idea.

NEAR EAST

THE NEW YORK TIMES MAGAZINE
OCTOBER 27, 1963Iran's Shah Leads a
'White Revolution'

By JAY WALZ

TEHERAN.

MOHAMMED RIZA PAHLEVI, Shahinshah (Shah of Shahs) of Iran, has stepped off his Peacock Throne. That bejeweled emblem of pomp and empire is stored away in a downtown bank vault. At the palace, the Shah has turned his attention to the more plebeian matters of what he calls a "white revolution."

After 2,500 years time has run out for feudal Iran and the Shah knows it. Someone is going to lead his country out of archaic stagnation and he wants to be remembered as the leader of that march, not as possibly the last king of the world's oldest monarchy. He is determined to be his own Nasser.

Whether the Shah will succeed in his purpose of transforming Iran into a self-reliant, self-confident modern nation in the Western mold is still uncertain. Undeniably, he has made some progress, but even well-wishers feel his programs have been hastily conceived, and they have aroused bitter opposition among many powerful elements in Iran.

The fact that any reform program at all has taken so long getting started is a comment on Iran, its people and its political and social state.

Iran is a land of 628,000 square miles—about the size of the United States east of the Mississippi River—with 21,000,000 inhabitants. Although about three-quarters of the land is too mountainous and arid for farming, the Shah is probably not overoptimistic in estimating that his country could support "three times our present population at the European standard of living."

Fertile hillsides around the Caspian shore produce excellent fruit, vegetables, rice and tea, although the area is more famous perhaps for the caviar that comes from the sea thereabouts. The semiarid plains of Khurasan and Fars grow wheat, cotton and sugar beets.

UNDERGROUND water reserves have been largely unexplored but are known to exist extensively. So, too, exist deposits of minerals, notably iron and coal. And Iran is one of the world's major oil producers. The oil fields have been nationalized since 1951, under the administration of the National Iranian Oil Company, which deals with a consortium of foreign oil firms. This year, a record half-billion barrels of crude oil are in prospect and Iran's 50-50 share of the profits may well be \$400,000,000.

JAY WALZ has been reporting from the Middle East for The New York Times since 1959.

Little of this wealth, however, trickles past the politicians and bureaucrats to the people. In spite of \$750,000,000 in American economic aid over the past decade, the average family income is \$170 a year. The population is 80 per cent rural (10 per cent live in Teheran and 10 per cent in smaller cities) and 80 per cent illiterate. The countryside is sparsely and primitively

settled. Roads and communications are crude.

A few tribes—the Lur in the west and the Bakhtiari in the central Zagros Mountains, the Kurds in northwestern Azerbaijan and the Turkmen in northeast Khurasan—cluster around isolated water holes or live a semi-nomadic life, fighting each other for grazing fields and warding off outsiders. But most rural Iranians are farmers—or, more properly, serfs, working not for themselves but for great absentee landlords. A few years ago, it could be said Iran was owned by not more than 1,000 families. Their holdings were enormous.

THE Shah's father, Riza Shah Pahlevi, was not a rich man to begin with, but during his reign he became Iran's largest landowner, with more than 2,000 villages. Others were not far behind. It was traditional for Ministers of State and Parliamentary Deputies and Senators to come from "the thousand families."

Feudalism was so fixed a tradition that only five years ago the Shah found it necessary, in the interest of progress, to invoke a decree ordering landlords to stop taking gifts, such as chickens, eggs and "marriage dues" from peasants. When a landlord's daughter married, it was the custom for all his peasants to pour in gifts of animals and produce—sometimes for good measure, a month or two of labor. When a peasant's daughter married, her father paid the landlord a fee. When he quarreled with his neighbor, he was subject to a fine to his landlord.

Why the peasants did not revolt long ago is still a question. Certainly, they would not have stood such inequality much longer in these days of airplane travel and transistor radios. The Shah decided it would be better to act while he retained the choice of decision.

THE "white revolution" is based on a six-point program. Briefly it calls for land redistribution, profit-sharing for factory workers, nationalization of forests, a literacy corps, the sale of some state factories to help finance the

program and electoral reforms, including woman suffrage. Land redistribution is the key issue by which the program will succeed or fail.

The Shah's intention is that ultimately all farm land in Iran will be broken up into individually owned plots ranging in size from a maximum of 100 to 600 acres, depending upon its fertility. The

former landlords are to be paid—in 10 annual installments—a price based on former tax assessments, the taxes actually collected and the income derived from the peasants. The farmers themselves are to repay the Government over a 15-year period.

So far, officially, the lands surrounding 8,000 villages, with a tax value of \$86,000,000, have been purchased from former landlords, and those of 6,000 villages have been distributed to 230,000 peasant families, representing a population of 1,200,000. But Iran has some 50,000 villages. Obviously, only the surface has been scratched.

FURTHERMORE, cooperative agencies to take the place of the landlords must be established—to supply seeds, fertilizer, equipment, loans and help in marketing. The development of such cooperatives is not keeping pace with redistribution, but without helping hands the inexperienced peasant owner will not be able to use his land efficiently for several years.

In that event, food production may fall, peasants become disillusioned and millions go hungry. The consequences could be disastrous to the Shah. The outcome will be touch and go for at least five years.

As an indication of the problems, there is the case of a village in Azerbaijan. Reformers from Teheran tried to introduce a modern combine harvester. The villagers, who for hundreds of years had been allowed to pick up the gleanings, were enraged by the machine, which left none. They burned the combine.

One land-reform official was murdered in Fars Province last winter. He may have been a victim of bandits seeking clothes and food, or he may have blundered into the rival grazing claims of local tribes.

The Shah considers him a martyr to reform.

For their part, the landlords are far from reconciled. Charges abound that the Shah is a traitor to his class, exploiting the peasants for political expediency — that he is promising the peasants more than he can deliver and will suffer disaster when they become disillusioned. The landlords are supported by some Teheran bankers when they complain that the Government will not — indeed cannot — keep its promise to pay the landlords for so much land. This, they say, is just one tragic consequence of having rushed into land reform, pell-mell, without careful planning.

It is perhaps only natural that the landlords should protest they have not been paid fair prices for the land taken from them, but the Shah pooh-poohs their cries of anguish. "What do they expect?" he asks. "The Government is paying them what they themselves let the land be assessed at for years, when they paid their taxes. They never complained before that assessments were too low."

Landlords — and bankers — are not the only opponents of the Shah's program. "Black reactionary" is an epithet he uses with increasing frequency these days, and it is directed most vehemently against the Shiite mullahs, the ultraconservative Moslem leaders, who not only oppose land redistribution but say that the emancipation of women defies Islamic law. It is generally agreed that the mullahs provoked a demonstration last June in Meshed, Iran's most holy city, in which a policeman was killed.

THE Shah makes much of that incident, but he is not inclined to discuss the rioting that broke out a day or two later in Teheran's old bazaar — the hotbed of conservative merchants and usurious money lenders. On this occasion, infantry and tank-corps men, under orders, fired point-blank into a mass of demonstrators. The estimate of 100 killed and wounded is considered conservative by witnesses.

The army's show of strength — coupled with the jailing of several of the Shah's more outspoken critics — effectively decided the course of the campaigning for this fall's Majlis (National Assembly) election. The Shah's hand-picked slate won almost in its entirety. The consensus in Teheran is that the voting was more on the up-and-up than usual—a reform in itself. But that the election was far from "free" by Western standards was all too evident.

The size of the army is a frequent source of criticism. With United States aid, the Shah has built it up to 200,

000 men. His American military advisers argue that a smaller force could be more efficient. Many Iranians believe its real function is "to protect the throne."

One veteran observer of the imperial court says he is dismayed by the Shah's "almost complete reliance" on the army and on his secret police, the Savak, for information. Too often, it is feared, the generals isolate the Shah from unpleasant facts and close his ears to constructive criticism. During the past crucial year, for example, the execution of the reform program has been in the hands of the mild Premier Asadollah Alam. He was chosen for the job largely because he is a completely unquestioning supporter of the Shah, a friend since their school days together.

Some critics declare the Shah's only interest in reform is his hope of perpetuating the monarchy for his new son and heir. Certainly the Shah's new approach has been more evident since the birth of Crown Prince Riza three years ago this Thursday. But any king naturally hopes to perpetuate the kingdom.

Skepticism is frequently voiced by educated Iranians in places of responsibility in government and the professions, partly perhaps because one Iranian is always reluctant to trust another. They fear the Shah has plunged blindly into an adventure of political fortune. Not a few doubt he intends to fight to the finish; they predict he will relapse once he has reaped the rewards of showing himself "a hero to the peasants."

"This land-reform stunt was ill-conceived and not planned at all. It will not work," said a Teheran businessman bitterly.

* * *

THE Shah turned 44 yesterday and may be said to be near the midpoint of his life and career. He began his reign in 1941, a bright, handsome youth with a European education and a supreme lack of confidence in his own ability to fill the shoes of his domineering father. He retains his youthful and athletic leanness, although his dark, wavy hair is graying, but he has developed an air of complete self-assurance.

HIS smile is totally disarming. Doing away with stuffy formality, he walks around his desk to greet visitors with a smile and a handshake as they enter his office. To an American, he speaks vernacular English, punctuated with an occasional slang phrase. "So what?" he will say when he takes exception to something.

But a new seriousness has come over him. The lines of his face cut deeper grooves than they used to. His thin lips move tautly, his gaze sharpens and his voice becomes more authoritative as he discusses his plans.

"My job is to prepare my country for democracy," he told a recent visitor, "but we cannot yet have democracy—American or British style. It is not the time."

"I suppose in time we might have a monarchy such as they now have in Britain or Sweden —when a king might play a different role [i.e., reign not rule]. But our people are not ready for that. Our people need the King. Without the King, Iran would have been gone long ago."

"Some Western correspondents who come here do not realize that discipline is still required in my country. Without discipline we cannot have a revolution like this."

He speaks passionately of land reform: "It will be completed because the people demand it. We have started it. We cannot turn back. The people will not let anyone, even those who give lip service to reform, stop it."

HIS journeys around the country have obviously convinced him this is so. Everywhere, peasants have greeted him with wild acclaim, and such popularity is a heady brew. The sour opposition of landlords and mullahs and Teheran skeptics has not spoiled his enjoyment of his new friendship with the mass of his countrymen.

It can be argued that the only way to accomplish land reform is to plunge into it as the Shah has done. It would take years to prepare Iran completely for this desperately necessary change, and then it might well be too late. The Shah has many supporters who believe that action — abrupt, sometimes mistaken, often fumbling, but action — to right the injustices of its ancient system of landholding is Iran's greatest need.

THROUGH it all, the Shah, if he really wants to win his "election" as leader in fact as well as in name, must build new confidence among his people in new ways of life. For "black reactionaries" have not been the only enemies of reform and change. The traditional Persian cynicism and apathy have been a paralytic disease for centuries. To get Iran moving, the Shah will need to ride a white charger of mythical endurance and speed.

AFRICA

NEW YORK TIMES

31 OCT 1963

CHIEFS OF ALGERIA
AND MOROCCO SIGN
CEASE-FIRE PACTBen Bella and Hassan Yield
to Selassie—Shooting Will
Stop Friday Midnight

PLAN IS REACHED IN MALI

Neutral Zone Will Be Set Up
in Disputed Sahara Area
—New Meeting Slated

By PETER BRAESTRUP

Special to The New York Times

BAMAKO, Mali, Oct. 30—Morocco and Algeria agreed tonight to a cease-fire in their border hostilities. It is take-effect at midnight Friday.

President Ahmed Ben Bella of Algeria and King Hassan II of Morocco signed a delicately drawn compromise. The fighting has cost both sides several hundred casualties in an area 300 miles southwest of Colomb-Béchar. The first incident in the dispute was Oct. 8.

As Emperor Haile Selassie of Ethiopia, the prime architect of the compromise, looked on, the Algerian and Moroccan leaders signed the accord and then shook hands and parted. Hassan smiled briefly while Mr. Ben Bella remained impassive.

Terms of Accord Listed

Mr. Ben Bella was clad in the same rumpled olive-drab uniform that he wore on his arrival yesterday. King Hassan wore a business suit. The signing took place in the Presidential Palace of Modibo Keita, the chief of state of Mali.

The agreement was reached after considerable pressure had been put on the negotiators by the Ethiopians and Malians.

The accord calls for these developments:

¶The cease-fire.

¶The establishment of a commission of Malian, Ethiopian, Algerian and Moroccan representatives to set up a neutral, demilitarized zone in the border area from which both sides would withdraw.

¶Supervision of this zone by Ethiopian and Malian officers.

¶A meeting of the foreign ministers' council of the 30-nation African Unity Organization "as soon as possible" at Addis Ababa, capital of Ethiopia.

Arbitration Group Planned

The council would set up an arbitration committee. This committee would seek to determine which side was at fault for the outbreak of hostilities and would inquire into conflicting border claims and submit its conclusions to both sides.

In addition, both Morocco and Algeria agreed to cease all propaganda attacks by press or radio after Friday and each side reaffirmed a policy of "noninterference" in the affairs of the other.

Each side gained and lost certain points. King Hassan gained an agreement by Algeria to the principle that the frontier problem and the Moroccan demands for Tindouf and Colomb Béchar should be negotiated.

The Algerians won Moroccan agreement to the conference of the African Unity Organization, which Morocco had opposed.

The neutral zone under the accord gave the Algerians assurance that their condition for a cease-fire—the withdrawal of Moroccan troops—would be met even if it meant withdrawal of Algerian troops as well.

However, Western observers warned that such pacts in the Arab world, as elsewhere, had collapsed quickly before. Neither side seemed overjoyed by the agreement. When the signing ceremony ended there was a burst of applause from Mali officials.

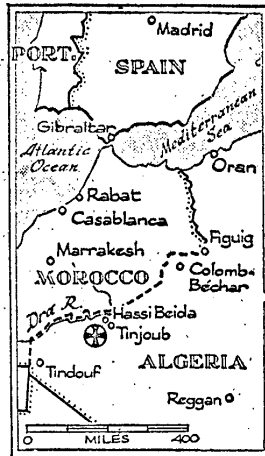
The Presidential Palace, an imposing structure on a hill overlooking the Niger River, was protected by United States-trained paratroopers wearing green berets and armed with submachine guns made in Israel. The entrance to the palace is flanked by two enormous statues of crocodiles.

The three visiting chiefs of state were lodged in the palace after their arrival last night.

Emperor Haile Selassie was given a suite between those of Mr. Ben Bella and King Hassan.

The Algerian and Moroccan leaders met separately yesterday with the Ethiopian Emperor and their Malian hosts. The members of the Algerian and Moroccan delegations carefully refrained from mixing.

The Algerians were clad in baggy olive-drab uniforms in a show of their country's mobilization against what they term Moroccan "aggression."



The New York Times Oct. 31, 1963

SAHARA TRUCE IS SET:
Algeria and Morocco have
agreed on a cease-fire
near Tindouf (cross), in
the disputed border region.

Delegates Go Shopping

While their chiefs were talking, members of the Moroccan and Algerian delegations went shopping in Bamako, a city of 100,000, mostly black and mostly Moslem.

The visitors bought masks and alligator-skin bags in the tumultuous market on the Avenue de la Nation, a street of tin roofs and graceful, brightly clad women where a beggar of two sighs in the heat.

After shopping, the exhausted delegates went back to the Grand Hotel in their official cars, which are requisitioned taxis, past the decaying villas left by the French. In the hotel they sat in the cool lobby and shook their heads wily at the newspapermen and waited for developments in which they had no part except as window dressing.

Outpost Reported Captured

MARRAKESH, Morocco, Oct. 30 AP—Defense Minister Mahjoubi Ahardane said today that Moroccan troops had captured 35 Algerians in an all-night battle around the outposts of Merkala and Oum el-Achar, near Tindouf.

Moroccan officers said the troops had seized Oum el-Achar from its Algerian garrison. About 40 Algerians were said to have been killed in action around Tindouf yesterday.

The Defense Minister said fighting also had broken out around Fiquig, far to the north-east.

Rabat Awaits Text

Special to The New York Times

RABAT, Morocco, Oct. 30—There was no official reaction in this Moroccan capital tonight to signing of the cease-fire. Government officials said they would await receipt of the text of the accord.

Algiers Busy With Plans

Special to The New York Times

ALGIERS, Oct. 30—Algeria's celebration of the ninth anniversary of the beginning of the war of independence against France appeared tonight to be likely to turn into a peace celebration as news came of the cease-fire accord.

For two days there has been practically no reports of any fighting on the Algiers radio.

All efforts are being devoted to the two-day celebration planned for Friday and Saturday. Delegations have been arriving and a four-and-a-half-hour parade is to be held Friday.

Thant Hails Accord

Special to The New York Times

UNITED NATIONS, N. Y., Oct. 30—U Thant, the Secretary General, hailed the cease-fire accord today.

He said he hoped the agreement would lead to a "final and peaceful settlement" of the border dispute.

He paid tribute to King Hassan, President Ben Bella, Emperor Haile Selassie and President Modibo Keita for their parts.

NEW YORK TIMES
31 OCT 1963

Algerian Says Arms Aid Is Distorted

Special to The New York Times

UNITED NATIONS, N. Y., Oct. 30—M'hamed Yazid, Algerian special envoy, charged today that distorted reports had improperly depicted Algeria's legitimate arms purchases as a menacing military build-up in North Africa.

Denying this, Mr. Yazid, speaking at the Overseas Press Club, insisted that arms arriving in Algeria were purchased months before the border conflict with Morocco and were normal requirements for an army that previously possessed only inadequate guerrilla-type weapons.

He said this was proved in the border fighting, where the Algerians used neither tanks, planes nor heavy artillery to oppose the well-equipped Moroccans.

Mr. Yazid upheld Algeria's right to get arms aid from Moscow and Havana, saying: "We took it where we could get it." However, he protested that a campaign was under way to stress the Communist sources of Algerian help.

He Blames Americans

Until now the Algerian spokesman has blamed Morocco for spreading such reports in an effort to persuade the United States to drop its neutral role and supply additional arms aid to Morocco. He broadened his complaint today, blaming also some "unreliable" American sources and business interests that he described as seeking to protect their financial investments in North Africa. He was understood to be referring to American companies with interests in the iron resources at Tinfouf, Algeria.

Algerian and Moroccan spokesmen continued to trade charges about their countries' territorial dispute despite word reaching here of a cease-fire agreement worked out in nego-

tiations between the two parties in Mali.

Ahmed Taïbi Benhima, Moroccan chief delegate, sent a letter to the Secretary General, U Thant, in which he indicated that Morocco had not abandoned the possibility of taking the border quarrel to the Security Council.

Mr. Yazid, in reply to inquiries at the Press Club, complained of "certain misconceptions."

Algeria has not disputed U.S. military aid to Morocco or Morocco's acquisition of Soviet jet planes and tanks, Mr. Yazid said.

Pressure Charged

"There is a kind of pressure being brought by private interests in some quarters of the United States Administration," he added. "It looks to us as a maneuver to turn American opinion against us just because we are getting some Russian arms and because some Cuban ships are arriving in our country with badly needed material."

"We have facts," he went on, "we have dossiers showing private American interests which have installed themselves in North Africa are trying to create hostility against Algeria."

Mr. Yazid objected to a dispatch from Rabat printed in The New York Times today that quoted Western diplomats as seeing a possible arms race developing from the Moroccan-Algerian border conflict.

He said "imprecise sources" were the basis for the front page article about a build-up that could have been proved non-existent by observing the poorly equipped Algerians in the battlefield.

The Times article cited intelligence reports that 1,000 troops from the United Arab Republic had landed in Algeria. Mr. Yazid previously had denied

that United Arab Republic forces were in Algeria but said it was no secret that his Government had a military mission from Cairo advising it on training the army.

Red Freighters in Oran

ALGIERS, Oct. 30—Activity continued today at the Algerian port of Oran, where Soviet tankers were unloaded from a Cuban freighter last week under conditions of extreme secrecy.

A Cuban freighter was unloading sugar at a wharf guarded by armed soldiers. A United Arab Republic freighter was unloading jeeps and trucks.

A Soviet freighter also arrived in Oran today. At a railway siding, seven Soviet tanks on flat cars were awaiting shipment toward the Moroccan frontier, according to authoritative reports. The tanks were covered with khaki sheeting.

U.S. Fears Open Rivalry

Special to The New York Times

WASHINGTON, Oct. 30—The United States is counting heavily on current peace efforts to contain the border conflict between Morocco and Algeria lest renewed fighting bring the East West cold war openly into North Africa.

During the last week, United States diplomats in Rabat, Algiers and at the United Nations have been reliably reported urging a quick and peaceful settlement.

Today's announcement of a cease-fire signed in Bamako, Mali, encouraged officials here, but there were cautious reminders that the settlement still had to be put into effect.

Washington's fear is that unless the current peace efforts succeed, both parties may turn to the major cold war powers for support in a new and broadened war with strong ideological overtones.

NEW YORK TIMES
31 OCT 1963

Truce in the Sahara

The Algeria-Morocco cease-fire heads off the danger of "escalation" in the Sahara border dispute. Neither side had anything to gain from prolongation or enlargement of the conflict and the outside intervention that could have followed.

Both Algeria and Morocco have enough internal problems to keep them busy for decades. They can only compromise their own futures if they follow the Egyptian example of foreign adventures designed to distract attention from poverty at home. The two North African countries are united by race, language, religion and a common history. Their best hope for progress lies in developing this unity in the economic field, and in submerging their ideological and frontier disputes.

The *modus vivendi* reached between Algeria and Tunisia could well set the pattern for settlement between Algeria and Morocco, contemplating as it does the joint exploitation of mineral resources in disputed Saharan areas. The high-grade iron ore in Algerian-held Tindouf could best be exploited by joint construction of a railway to the Atlantic across Morocco. The vast natural gas resources of the Algerian Sahara could reach the huge European market by pipeline across Morocco and the Straits of Gibraltar. Cooperation of this kind will, however, be impossible so long as the Moroccan Government presses territorial claims to regions four times Morocco's present area. Nor is collaboration aided by republican and socialist propaganda from Algiers designed to dislodge Morocco's monarchist regime.

By exacerbating their disputes, King Hassan II and President Ben Bella might quiet internal dissidence for a time, as has happened this month in Algeria. But imaginative efforts to work together would contribute far more to the internal stability of both countries and to their future economic health. Without such cooperation there can be little chance for the aid both of them need from international agencies and private investors abroad.

MANCHESTER GUARDIAN
28 OCT 1963

Concessions by Dahomey President

From our own Correspondent

Paris, October 27

Faced with an outburst of discontent, President Hubert Maga of Dahomey, has re-formed his Cabinet after some talks with the Opposition leaders. Only this morning there was a clash between demonstrators and the police in which two men were killed.

The discontent was sparked off last week by disapproval of the release, under pressure from the Government majority, of a deputy arrested in connection with a common law crime on the plea of parliamentary privilege. But this was evidently an occasion rather than a cause.

As in the Brazzaville Congo, the Opposition seems to have been led to a great extent by the trade unions. It is not yet clear whether President Maga's concessions have been sufficient to meet the situation.

NEW YORK TIMES
31 OCT 1963

South African Indictment Killed But Defendants Are Still Jailed

By ROBERT CONLEY
Special to The New York Times

PRETORIA, South Africa, Oct. 30 — A Supreme Court judge dismissed today an indictment accusing 10 men of "willfully and illegally" resorting to sabotage and violence to end South Africa's policy of apartheid.

Shortly before, an 11th defendant had been removed from the prisoner's dock and taken into what the Security Police termed "protective custody" in preparation for testifying on behalf of the state.

Walter M. Sisulu and Nelson Mandela, leaders of the prohibited African National Congress party, and the other defendants were not set free.

Security policemen immediately arrested them on unspecified charges. They were pushed out of the dock and hustled to cells below the courtroom in the old stone Palace of Justice before anyone could confer with them.

[The 10 accused reverted to their former status as prisoners under a detention law that allows the police to hold suspects 90 days in solitary confinement without trial, Reuters reported.]

A hush fell on the courtroom as the judge, Quortus de Wet, upheld the defense lawyers' arguments that the indictment was "fatally defective" because of vagueness.

The indictment accused six Africans, three whites and one Indian of conspiring to overthrow the white Government of Prime Minister Hendrik F. Verwoerd, to start a guerrilla war in South Africa and to open the way to "armed invasion" by unnamed outside forces. Under the

Anti-Sabotage Law, they faced the death penalty.

Black and white arms sought to touch the prisoners as they were forced down the stairs. The security policemen brushed outstretched hands aside.

"What's happening to them?" an African cried.

One defendant, Dennis Goldberg, a civil engineer, stood on a chair to shout to his family. The police pulled him down. Ahmed M. Kathrada, the Indian, thrust up his clenched fist in the sign of African nationalism before disappearing.

Judge de Wet's ruling came at the end of the second day of the trial, being held without a jury. All the accused were African nationalists or their sympathizers.

They were charged with direct or indirect responsibility for 199 acts of sabotage, including the derailing of trains, the dynamiting of steel pylons carrying high-tension electric lines and of Government offices, and the burning of schools and homes.

Judge de Wet reprimanded the public prosecutor, Percy Yutar, for a lack of specific allegations in the state's case.

"The authorities say you should give very full particulars," the judge said. "You have not done so."

Judge de Wet is Judge President, or chief justice, of the Supreme Court in Transvaal, one of the four provinces of South Africa. He is a member of a family with a long tradition on the South African bench.

At one point the prosecutor attempted to introduce the state's opening address as a substitute for additional data. "This is an entirely irregular way of conducting the case," the judge commented. "I won't accept it."

Alternatives for Government

The final ruling presented the Government with the prospect of dropping the action or of starting again and submitting a new indictment. If a new indictment is handed up, there

is little likelihood that a new trial can begin before early next year.

Judge de Wet objected to Dr. Yutar's explanation that there was no need to detail the exact nature of the alleged crimes to the accused because, in the state's view, they knew what they had done.

"That presupposes that they are guilty," the Judge said.

When Dr. Yutar indicated that more time would be needed to comply, the Judge said: "It is not the function of the Court to draw up an indictment for the state."

Besides Mr. Sisulu and Mr. Mandela, the other principals were Mr. Goldberg, a former member of the nonracial Congress of Democrats party; Mr. Kathrada, secretary general of the Transvaal Indian Congress party; Govan Mbeki, an African journalist and Lionel Bernstein, a Johannesburg architect and an admitted Communist.

The man who is said to have turned state's evidence is Bob A. Hepple, a Johannesburg lawyer.

Western Action Urged

Special to The New York Times

UNITED NATIONS, N. Y., Oct. 30 — The major Western powers were urged today to agree to effective economic measures to persuade South Africa to abandon racial discrimination.

An African leader, Diallo Telli of Guinea, declared that a peaceful solution of the South African problem depended on action by South Africa's principal trading partners. He named Britain, the United States, France, Italy, West Germany, Japan, the Netherlands and Belgium.

Speaking in the General Assembly's Special Political Committee, Mr. Diallo supported a suggestion by Liberia and Kuwait that the 111-nation committee appointed a working group composed of South Africa's trading partners to consult on specific action.

The committee, which has heard 76 speakers in three weeks, suspended deliberations to await further developments.

The United States and Britain are expected to oppose economic sanctions during the forthcoming meeting of the Security Council, probably next week.

LONDON TIMES

25 Oct. 63

Crisis in the Congo

MR. ADOULA, the Congolese Prime Minister, is fighting for his political survival. A storm of opposition has broken on him, fanned by the ever-growing hardships imposed by accelerating inflation and economic rundown. After dissolving Parliament he has been forced to declare a state of emergency backed by military courts, and he has largely replaced the Government with a committee of emergency. He is in conflict with the trade unions, who want a new Government to make reforms, and have called a strike of teachers and civil servants against non-payment of salaries. The Lumumbists, deprived of their parliamentary forum, continue their agitation and press for the release of MR. GIZENGA, the heir to the late PATRICE LUMUMBA. Three deputies arrested for this agitation persuaded the troops to release them, and are now fomenting trouble in Brazzaville. Indeed the most ominous sign is the unswerving of the Government of army loyalty.

Ten days ago there was a mutiny at Luluabourg because of the dissatisfaction of the troops over pay arrears. Though it was put down, the attitude even of GENERAL MOBUTU'S picked troops in Leopoldville seems doubtful. His name was not among the members of the emergency committee. Nor was that of MR. NENDAKA, the security chief. Hitherto their backing has been the key to MR. ADOULA'S power. He has also sustained himself on American support, but it seems that he now suspects the Americans of setting the trade unions against him. In New York he persuaded the United Nations to leave their troops in the Congo on the tacit plea that there would be chaos otherwise. The United Nations is thus drawn more deeply into Congolese government and politics. Its officials and the Americans increasingly decide what that government shall be and do. Whether this strange dominance permits them to push through the needed financial reforms remains to be seen. It is becoming difficult to talk of a Congolese Government, but without MR. ADOULA what remained of it might collapse. Would the United Nations then take over?

THE ECONOMIST OCTOBER 26, 1963

THE CONGO

One Prime Minister
Nobody Hates

FROM A SPECIAL CORRESPONDENT

Leopoldville

OLD Congo hands, and particularly genial Belgian colonels, will tell you that everything in the Congo is calm and normal. But a visitor who reads the down-column stories in Leopoldville's three lively daily papers is apt to get a curious notion of the ingredients of Congolese normality. Last week, for instance, he would have seen a special insertion by the governor of the capital's prison explaining that a lax military guard, and not the governor himself, was to blame for the escape of two opposition members of parliament. Another column told how the procurator-general had not been allowed into that prison to interrogate the governor.

One paper printed a long interview in which a president of a provincial assembly accused the president of his province of being responsible for the embezzlement of £500,000 and the smuggling of four tons of ivory through Kenya, not to mention "pillage and clandestine executions." He wanted the central government to declare "a state of exception" in his province. In another part of the paper the students' trade union, whose headquarters are in Lovanium university, was demanding that the 25 ministers in Mr Adoula's government resign. The answer is perhaps that the Congo is never normal but always in a state of exception. This is a happy Belgian phrase to define something short of an emergency. It has been used in several of the Congo's 22 provincettes to justify the posting of a "special commissioner" by the central government. But occasionally the Congo produces a genuine emergency and this week has seen perhaps the most serious of these occasions.

Mr Adoula returned from a fortnight in New York, Washington and Rome to find the trade unions threatening a general strike, and refusing to play any part in what is now urgent constitution-making, unless several important ministers are dismissed. From his other flank he found himself hard pressed by one of the threatened ministers and his colleagues in the "Binza group," the cabal that comprises the Congo's half-dozen most important people, including the commander of the army, the governor of the central bank, and the head of the Sûreté. With parliament dismissed by President Kasavubu last month and a new constitution and elections promised by May, 1964, the group's concern has been to consolidate its political power in advance. They believe that they must confront and humble the trade unions. Mr Adoula, it seems, agrees. For a "state of exception" was proclaimed in the Leopoldville area on Sunday (October 20th); and wide powers have been given to an "emergency committee," including

power to order the arrest of trade unionists.

The unionists do, however, have genuine grievances. The primary school teachers have been on strike for weeks on a claim for £6 million of salary arrears that has been lost somewhere in the administrative pipeline. The civil servants have seen parliamentarians profiteering from a corner in import licences, while the franc has dropped to an eighth of its value at independence three years ago. The trade unionists' champion is the minister of labour, Mr Alphonse Nguvulu, who has challenged his cabinet colleagues and alleged corruption in negotiations to set up an oil refinery. On top of all this, the unions have found themselves doing the work of political opposition formerly done by the erstwhile secessionists—Mr Tshombe and Mr Kalonji, now wintering in Europe, Mr Gizenga, still in prison, and the minor Lumumbists, now in hiding.

As a former trade union leader himself, Mr Adoula can after all call the trade unionists "brothers" (and Mr Kithima, their general secretary, "brother-in-law"). Mr Adoula is still the only politician nobody hates to see as prime minister. But he may expend his energies on preserving the government and have no reserves of popularity to carry through all the reforms the country needs. The most urgent of these are: devaluation to a realistic rate, a reduction of the size of the cabinet, a cut in government expenditure, and better discipline in collecting taxes and preventing smuggling. It is estimated that so-called "Senegalese teams" are making off with £5 million worth of diamonds from the officially abandoned Tshipaka fields in Kasai, while many foreign firms have enjoyed a virtual tax holiday since independence.

Yet the Congo situation has improved. The decision to keep UN troops in the country for an extra six months beyond December 31st—Mr Adoula's reward from his travels—will act as some insurance against disorder if not discontent. The Congolese army, although still in need of retraining, is gaining confidence with each incident it settles and each mutiny it quells. General Mobutu was so confident last week that he did not bother to investigate in person an uprising in Luluabourg. The new provincettes, sources of many border and personal disputes, are far from completely peaceful but at least they look increasingly to the central government as their peacemaker. With some Katanga copper rolling up to Leopoldville again, and a record tonnage of palm oil flowing down from the old Orientale province, the problem now is a dearth of transport and not, as before, a glut of seceders. In preparation for the election campaign a group of moderate parties and chiefs has begun to take shape which can be expected to give Mr Adoula better support than he has known before. If only neither the union leaders nor General Mobutu's soldiers set off a Leopoldville riot, a "state of exception" may—who knows?—before long become the exception.

FAR EAST

NEW YORK TIMES
31 OCT 1963LAOS' LEADER BIDS
SOVIET AID PEACEPrince, in Moscow, Reports
'Serious Political Problems'

By HENRY TANNER

Special to The New York Times

MOSCOW, Oct. 30—Prince Souvanna Phouma, Premier of Laos, appealed today for the help of the Soviet Government to bring peace and stability to his country.

The Prince arrived this morning for two days of talks with Premier Khrushchev and other Soviet leaders. He was met at the airport by Mr. Khrushchev. Later in the day, he was received by the Premier at the Kremlin and entertained at the Bolshoi Theater.

In a speech at the airport, Prince Souvanna Phouma said he had come to inform the Soviet Government of the "serious political problems encountered by my country at this time."

Explains Trip to Soviet

He said he wanted to emphasize particularly his disappointment that "more than a year after the signing of the Geneva agreement, Laos has achieved neither the peace nor the stability" to which, as a neutral state, she had a right.

He added that he had come to Moscow because the Soviet Union, "as a friendly state and as co-chairman of the Geneva conference," had a special interest in Laos.

The Premier, a neutralist, said he hoped to find here, "with the help of the Soviet Government," the solution to these problems.

The fourteen-nation Geneva conference of 1962 worked out agreements providing for a neutral and unified Laos under a coalition government of neutralists, pro-Communists and rightists. The conference guaranteed the independence of Laos.

U.S. Charged Violation

The Soviet Union and Britain were co-chairmen of the conference. They bear continuing responsibility for enforcing the truce between the three factions.

Prince Souvanna Phouma's visit to Moscow came as there were new reports that Communist forces in North Vietnam had resumed arms aid to the pro-Communist Pathet Lao forces.

A State Department spokesman in Washington charged yesterday that the North Vietnamese supply activities had been stepped up within the last

NEW YORK TIMES
31 OCT 1963

Japanese Socialists Expect Bitter Campaign

By EMERSON CHAPIN

Special to The New York Times

TOKYO, Oct. 29—The Japanese Socialist party looks forward to making sizable inroads in the parliamentary strength of Premier Hayato Ikeda's conservatives in a general election following what it fears will be the "dirtiest" campaign in Japan's post-war history.

This forecast was made in an interview by Shimpei Fujimaki, an official Socialist party spokesman, two days before the start of the three-week election campaign.

Mr. Fujimaki said the Ikeda Government's relations with the United States would come under strong attack, but he denied that his party was "anti-American" and said it hoped to establish a more normal basis for friendship by abrogating the present Mutual Security Treaty.

Mr. Ikeda dissolved the Diet (Parliament) last Wednesday in preparation for the elections, which are to be held Nov. 21.

The ruling Liberal-Democrat party, which held 286 seats in the 467-member lower house at the time of dissolution, is regarded as certain to retain control and chief interest centers on whether the Socialists will be able to continue the steady gain they have made in recent national elections.

"We hope we can gain about 30 seats," said Mr. Fujimaki, who is deputy director of the secretariat of the party's policy research board. The Socialists held 137 seats in the outgoing Diet. The spokesman reiterated his party's confidence that the voting trend would bring it to power in 1970.

Voicing concern about the conduct of the election, Mr. Fujimaki declared that as the country becomes more advanced

Party Hopes to Cut Ikeda's
Parliamentary Strength
in Election Nov. 21

politically "outright bribery is decreasing but more sophisticated bribery is increasing." This sort of vote-influencing requires more and more money, he said.

The intense rivalry among factions in the Liberal-Democrat party will intensify the pressure for corrupt practices, Mr. Fujimaki asserted.

"We don't expect the election to be clean," he added. "It will be the dirtiest campaign we've ever had."

The major campaign issues he continued, will be the steep rise in the prices of consumer goods in the three years of Mr. Ikeda's rule and the perennial issue of maintaining the renunciation-of-war clause in Japan's Constitution.

Mr. Fujimaki said the Socialists would continue their opposition to planned visits of nuclear-powered United States submarines to Japanese ports out of a basic opposition to an "involvement of Japan in the nuclear strategy of the United States in the Far East."

"Sooner or later American troops must be withdrawn from Japan," Mr. Fujimaki said. "Then our relations will be on a more normal and equal basis."

The Socialist spokesman spoke officially for the party in an interview in the absence of its chairman, Jotaro Kawakami, who is on a trip to prepare for the campaign.

"If our party's attitude toward the Mutual Security Treaty is termed anti-American," Mr. Fujimaki said, "then I suppose we

might be called anti-American." But he added: "We are never opposed to friendly relations between Japan and the United States."

The Socialist spokesman said his party "would certainly welcome a visit to Japan by President Kennedy." He said the Socialists would promote no demonstrations such as occurred at the time of President Dwight D. Eisenhower's scheduled visit in 1960.

A basic element of the Socialist foreign policy, Mr. Fujimaki stressed, is the establishment of closer ties with Communist China despite the hardening of China's position internationally. He said Japan's industry had been built on the basis on raw materials from China and "the present unnatural situation cannot last indefinitely."

HINDUSTAN TIMES
20 OCT 1963Near-revolt
conditions
in Tibet

Gangtok, Oct. 19 (UNI)—The Communist regime in Tibet is apparently facing near-revolt conditions in the region.

According to a broadcast by Radio Lhasa monitored here, the Panchen Lama, acting Chairman of the Preparatory Committee for the Autonomous Region of Tibet, today called upon Tibetans to exterminate all counter-revolutionaries indulging in acts of sabotage in Tibet.

The counter-revolutionaries, he said, were working in collaboration with "reactionaries and revisionists."

According to the broadcast, the Panchen Lama, Peking's spokesman, was addressing the third conference of the Tibet Committee of the Chinese Buddhist Association.

Observers said the Buddhist meet had been staged to win over rebellious elements still actively opposing the Communist regime in Tibet.

two weeks in violation of the Geneva agreement.

One of Prince Souvanna Phouma's purposes in coming to Moscow, it is believed, is to find out whether the Soviet Union is willing, or able, to persuade the North Vietnamese and the Pathet Lao to soften their policies.

The ideological dispute between the Soviet Union and Communist China has affected Laos.

China is believed to be pressing for a "tough" Communist line there in favor of militant revolution and an all-out fight against "United States-led imperialism."

Moscow is thought to be leaning toward a "softer" line in Laos that would be more in keeping with its policy of "peaceful coexistence."

The North Vietnamese Communists, on whose military support the Communist Pathet Lao forces largely depend, are

thought to have maintained a strict neutrality in the ideological conflict between Peking and Moscow.

Observers here believe that at first the ideological dispute sharply curtailed the Soviet Union's ability to influence Chinese and North Vietnamese policies. But as the dispute continues, these observers say, the Soviet Union may become less reluctant to challenge the Chinese position.

Some specialists feel that the Soviet leaders may welcome Prince Souvanna Phouma's presence at this time as one more way to counter Chinese influence among neutralists and leftists in Asia.

The Prince, therefore, is thought to have a greater chance of getting some satisfaction here than he would have had five or six months ago, before the Chinese and Soviet parties began denouncing each other publicly.

Philippines Herald - 15 Oct 63

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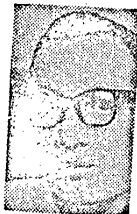
Men And Events

NESTOR MATA

'FREE MOCHTAR LUBIS!'

THEY SAY that Indonesia's President Sukarno loves his country. He led his people in their fight for freedom during the revolution against the Dutch. And, perhaps because of his passionate love for country and people, he was named President-for-life.

But there is another Indonesian who loves his country as passionately. So passionate is his love for country that he has written newspaper articles in which he exposed what he felt was wrong with the country under Bung Karno. And for this they didn't give him a medal, of course. They jailed him!



That man — Mochtar Lubis — is languishing in the misery and stench of an East Java prison cell today.

Lubis, former editor of the Indonesian newspaper INDONESIA RAYA, is under arrest by the military authorities of Jakarta. He was known for his adamant defense of the freedom and independence of the press.

He refused to sign a "document of loyalty" promising to give support to the principles of "guided democracy" and to all government policies.

"To me," Lubis said, "it is much better for a newspaper to stop publication, if conditions no longer permit it to function fully as a free press, to exercise its social responsibility and its duties to truth, justice and freedom."

He preferred silence rather than servility.

SOME OF THE FINEST thoughts on freedom that we have read were written by this man Mochtar Lubis who has been incarcerated for several years now.

"Sometimes some people are so enamoured by freedom that they want to monopolize freedom for themselves and deny it to others," he

once wrote. "Such people do not really love freedom, because true freedom must be extended to one and all, without regard to racial or religious considerations."

"Such people are also not aware of one main essential of true freedom; that freedom can only bloom when it is extended equally to everybody and is not the privilege of a few.

"People who equate freedom with anarchy simply do not understand the meaning of freedom. Freedom automatically also means responsibility; in the careful exercise of responsibility for the common good lies the secret for the preservation of freedom.

"Freedom must entail social justice as well, because without social justice there is no real freedom.

"Democracy and freedom (to me both words signify one whole concept and idea) must always be fought for; we must always be on guard and aware against and of the threats against them; we must always be ready to fight for them. To be free is a joy and the supreme right of man, and so to fight for freedom must be equally felt not as a burden or a sacrifice, but as a joy, a happiness in which everybody must share.

"We must never accept that freedom is an automatic historical process; it must always be striven for, must always be perfected; we must always be vigilant."

This is the kind of man who has been deprived of his freedom by "Big Brother" Karno.

* * *

MOCHTAR LUBIS continues to remain in prison, notwithstanding appeals from the Congress for Cultural Freedom, the International Press Institute, and other freedom-lovers to Sukarno to set Lubis free or give him the opportunity to defend himself in court.

Lubis fought against government corruption and the violation of civil liberties and against the inroads of totalitarianism in his country.

In the words of the 1958 Ramon Magsaysay Award Citation, which he won for waging the battle for freedom of the press in Indonesia, Lubis' "... example gives strength to those who share the belief that free speech are essential if government is to reflect the will of the people."

To Bung Karno, we voice our own humble plea:

"Free Mochtar Lubis."

THE SUNDAY STAR

Washington, D. C., October 27, 1963

HIGHWAY

Red Engineers Set December Deadline

By RICHARD CRITCHFIELD
Special to The Star

KATHMANDU, Nepal.—The new Red Chinese-built trans-Himalayan highway through northern Nepal—the first modern road ever to connect Asia's two giants, India and China, across a once impenetrable mountain barrier—may be open to traffic within the next 12 or 18 months.

This highway — ironically agreed upon by Nepal's King Mahendra in 1961—threatens the very existence of the medieval Nepal kingdom. Military feeder roads will give Chinese troops in Tibet direct access to the once isolated area.

It also poses a severe new threat to India's security by giving the Red Chinese a route through the icy Himalayan barrier down a connecting highway leading to India's rail and steel centers on the plains of the Ganges River.

Financed by most of Peking's \$42.4 million aid program to Nepal, the highway originally was scheduled to open in 1966 and until now, United States and Indian observers had been wishfully predicting it would take even longer.

It will cut through the lowest corridor in the soaring Himalayas to link Nepal's goldenspired capital of Kathmandu with Tibet's capital, Lhasa. The trip from Kathmandu to the border is expected to take five hours, to Lhasa, two days.

Today a gigantic mass of Chinese soldiers and Nepali tribal hillmen are blasting traverses into granite cliffsides and forging a track through dense tropical jungles and boggy rice paddies. Since they are using no heavy equipment, it is hard for an observer to suppress a sneaking admiration for the massive effort.

This reporter has just returned from a trek along most of the 102-kilometer roadsite, accompanied by a barefoot Tamang tribesman who spoke some Chinese. Nepali engineering crews said no other European had visited the upper reaches of the roadsite since construction began in earnest four months ago.

At 6,000-foot Kodari Pass, northeast of Kathmandu, the road crosses into Tibet over a cataract in the Bhothe Kosi River. Two hundred yards away one could observe swarms of Red Chinese soldiers clad in khaki shorts and white undershirts, cutting into the forested mountainside with picks and shovels.

Every evening the pass reverberates for an hour with dynamite charges. The Nepalis estimate the Chinese have deployed almost an entire infantry division, or some 10,000

Mr. Critchfield, The Star's correspondent in New Delhi, is the first American to inspect the highway Red China is building between Tibet and India.

men, to complete the last two-mile stretch from the border to the Tibetan trading center of Kuti, where the new road to Lhasa now ends.

The first winter snows already have begun to fall on the Jugal Himal range that flanks the pass. Though trop-

ically hot in the daytime, cold winds sweep down from the frozen pinnacles and glaciers above to make the pass wintry by nightfall.

Red Chinese engineers said the road to Kuti, which crosses the 12,000-ft. Nyalam Pass, must be finished by December to allow continued transit of dynamite, steel bridge parts and culverts into Nepal throughout the winter.

Within Nepal itself, 6,500 Nepali laborers are now at work seven days a week (for meager \$7.50 monthly paychecks) under the supervision of 67 Chinese engineers and a like force of Nepali engineers, guards and overseers.

Since the work is divided into six 17-kilometer segments, it still resembles a dotted line winding through low-elevation valleys (2,000 to 4,000-ft. in altitude) from Kathmandu to the border. To speed up construction, 10,000 more Nepali coolies are being hired after the close of important annual festivities celebrating the Hindu Mother-Destroyer Goddess, Kali.

Besides blasting a two-mile traverse along a windswept rockface near the border, the Chinese engineers in four months have already built three five-kilometer stretches of almost usable road.

Building Wooden Bridges

A workshop to build wooden bridges is now being set up in Panchkhal Valley. The Chinese hope to have a usable road over temporary wooden bridges finished by October, 1964, and the final road built with four major steel bridges (to replace present suspension cableways), 36 lesser bridges and nearly 100 culverts by the following year. United States officials in Nepal call this schedule too ambitious, but the Indians built a 112-mile road through similar terrain in neighboring Bhutan in only 14 months.

When completed, the Kathmandu-Kodari road will link up not only with Lhasa but also with a recently completed highway running the length of the Tibet-Nepal-Indian border through Tibet's Bramaputra River valley about 50 miles north of the Himalayan range.

Chinese Invasion Roads

Any doubts concerning China's eventual intentions to take over Nepal would seem to be dispelled by the current construction of four military feeder roads leading from the Bramaputra highway down to Nepal's northern border.

The first road goes from Taklakar in Tibet to Nepal's Western border with India. It will be met by a road the Indian Army is pushing up along the Kali River of Uttar Pradesh (New Delhi lies just over 200 miles south of Tibet at this point).

A second connects the Chinese Army garrison at Dongbo to Mustang in Nepal, an area used by 3,000 Tibetan Khampa refugees to stage guerrilla raids into Tibet.

The third goes from another army base at Gironz Dzong, where the Chinese have an airfield, to Nepal's low Rasua Gahr Pass (about 8,000 feet) used by the Chinese to invade Nepal in 1792.

The fourth comes down to Eastern Nepal's Walungjung Kola valley where Chinese agents have been successful in winning over many of the Limbu tribals, who resent King Mahendra's attempts to rule them from Kathmandu.

Running down to Natu La through the Chumbi Valley above the nearby kingdom of Sikkim is a fifth feeder road. Chinese troops pouring through Sikkim would have to advance only 80 miles to cut off Assam, Bhutan and the Northeast Frontier Agency from the rest of India.

Nepalis Unconcerned

Nepali reaction to what may be invasion routes into their country has been one of fatalistic unconcern. When asked how he felt about the danger, the usually retiring King Mahendra snapped, "You don't import communism in a taxicab."

This nonchalant attitude is echoed by top United States officials in Kathmandu who blandly assert the road will take "years and years to build" and who view it as the inevitable symbol of Nepal's independence from the Indians. (So far no United States Embassy has visited the road.)

Nepal's friendship with Peking, like that of Pakistan's, stems from resentment over India's attempt to continue to run its affairs, a resentment also fed by the supercilious behavior of Indian officials in Nepal.

Although former United States Ambassador to India John Kenneth Galbraith said last month he felt Nepal was the "most dangerously threatened" of all the states bordering China, including India, United States officials in Kathmandu itself tend to shrug off the road's military potential. They argue that a brigade of Chinese paratroopers dropped into Kathmandu could take over the country within hours anyway.

Defense Pact With India

The Nepalis themselves point out that India is committed to defend Nepal and that Prime Minister Nehru has pledged responsibility for the kingdom's security.

How much responsibility is arguable. Since the Indian army's crushing defeats in the high Himalayas last year its general staff, seconded by United States military advisers, favors repulsing any future Chinese attacks only in the lower foothills, where China would have logistical disadvantages.

Where this would leave Nepal, whose capital is located in the northern mountain region, is still a question no one cares to answer very specifically.

Though Indo-Nepal relations have warmed up since India stopped raids of Nepali rebels based in India last year, a 13-year-old agreement for 18 joint Indo-Nepali checkpoints along the border with China has not been renewed.

Except for a single radio

operator who will stay to run Indian-owned radio equipment one more year, the four and five-man military observers teams at each post must pack up this month and return to the plains. Indian officials here are seriously worried about this latest assertion of Nepal's independence, as they have relied on the border posts as one of their chief sources of military intelligence on Tibet.

Chinese Shun Others

Surprisingly, since China is having some success of its own in establishing a fifth column in Nepal, its 67 road engineers keep to themselves and do not act like Agitprop agents. Most live in eight-man groups, under the rigid discipline of a Communist Party man who acts as interpreter.

The engineers thus have little contact with anyone but their Nepali counterparts, to whom they distribute Chinese comic books and other soft-sell propaganda. Instead of winning friends, they inspired hostility in several villages by refusing to transport sick Nepalis in their supply jeep or by not sharing their insecticide with the bug-tormented villagers.

When the Chinese engineering teams first arrived they ate humble local fare, wore shabby blue uniforms and mixed freely with the local peasants.

Three months ago, in a sudden transformation, living standards zoomed up as watches, white dress shirts and slacks were supplied, as well as special Chinese cooks, food-stuffs from Canton and modern furniture.

The engineers are now apparently under strict orders not to mix with the villagers or speak to outsiders, especially Americans. According to the

LONDON TIMES
28 OCT 1963

Dr. Sukarno's Dream

For much of his life as a nationalist, DR. SUKARNO has dreamed of a great ethnic unity, bringing under one rule the people of Indonesia, Malaya, and the Philippines. When the prospect of Malaysia promised to confound his hopes he tried to rescue them. "Maphilindo" was to be a federation which would join Malaya's ten millions, the Philippines' twenty-five millions, and Indonesia's hundred millions. Anyone reading the jauntily irresponsible speeches with which the Indonesian leader has been mesmerizing the "Devour Malaysia" rallies up and down the islands lately could have no doubt that this dream of unity expresses the personal ambition of a man who believes that a divine anti-colonialist right resides in him. However strong—and however high-minded in his own view—the ambition may be, it must have some serious backing in Indonesia if it is to be a long-term threat. Attention must be paid to some other, less amplified, voices if the future of the confrontation is to be estimated. There is little doubt that the voice of the Indonesian Communist Party (P.K.I.) is the one that matters.

Fresh from a tour of inquiry to Moscow, Peking, and other communist capitals, MR. AIDIT, the P.K.I. leader, has been giving his followers their marching orders. He was blunt enough in the surroundings of a party rally to define the three roads ahead in the struggle against Malaysia. One was the road of opportunism, leading to the "mire of a summit conference and Maphilindo". So much for the current Sukarno line of a grand federation. The second was the adventurist road which, "while pretending to oppose Malaysia and Britain, would in fact carry out provocations, thus giving Britain an

opportunity to make disturbances on Indonesian soil". MR. AIDIT concluded the only way forward was the revolutionary road of all-out confrontation.

These are tough words; but what do they mean? One question that immediately arises is whether the P.K.I. can command the allegiance of all communists in the area, remembering the predominantly Chinese element in Malaysia. Some years back the Malayan communists tried to give themselves a multi-racial front by promoting a Malay as their head and conducting their affairs in the Malay language. Even if it were sincere it is doubtful if this policy could be effective for long, with so small a number of Malay and Indian followers. The P.K.I.'s power outside its Indonesian base may become apparent only when its "conclusions about the south-east Asian revolution", which MR. AIDIT has just imparted to his party, become apparent in action. Such emphasis as the report of the party meeting gives is wholly nationalist. The aim of the P.K.I. must be to perfect the Indonesianization of the party, to struggle against modern revisionism and modern dogmatism, and to remember that while mutual help is an obligation of every communist party, the greatest monument any party can set up is its own triumph in its own country. If this is the path to power in Indonesia, what part does the Malaysia issue play in it? For the moment it seems that the P.K.I. thinks the Malaysia confrontation is a good issue to take up. But the more it is exercised by its own prospect of power the more it may prefer to leave the confrontation to the opportunism of an ephemeral leader like SUKARNO. In the long run the confrontation with Malaysia may prove another of Asia's paper tigers.

Nepalis, the Chinese fear attacks by wandering Tibetan Khampa warriors and keep weapons in their houses.

When we approached them in remote mountain hamlets or on the trail, the Red Chinese took flight. Once, two engineers went sloshing across a muddy rice paddy to avoid meeting this reporter on the narrow track. When spoken to, one might have been an unearthly spectre as the Chinese stammered, "No! No!" in terror and hurried indoors. The Nepali engineers, who find them sociable, tried to convince them we were harmless, but with no success.

Yet, ironically, the Communist Chinese along the road, dressed in Western garb and sometimes speaking English, seemed like kindred souls.

Substitution Rife

Nepal is more like medieval Europe than modern-day Asia and more like the Land of Oz than either. Once, when passing through a weird forest of gnarled and twisted trees in late afternoon, we were gravely warned by passing villagers to reach shelter by sunset as a traveller had been robbed and beheaded by savage bandits on that very spot only seven weeks before.

Later, this reporter horrified the hillmen in Balafi Village by inquiring who was the shy person in white clothes who had lurked in the trees near his campsite the previous night. The superstitious mountain folk solemnly declared that our visitor had been the ghost of Balafi who haunted the wood where we camped.

In such a world, rimmed by mountain peaks and tortuous trails, where gods and ghosts have more reality than governments, the shadow of the Chinese troops looming just behind the Himalayas seems faint, indeed.

Nor are the Chinese unaware of how to deal with imagination and skill in such a world as they build their roads for future conquest.

Recently for example, disregarding near famine conditions in Tibet, the Chinese in a show of magnanimity sent down to Kathmandu 20,000 sheep to be slaughtered as offerings to Nepal's beloved Mother Goddess, Kali. In contrast, a youthful administrative officer at the United States embassy in Kathmandu encountered stiff resistance from the American staff when he tried to take a collection to pay for goats to be sacrificed by the Embassy's motor pool drivers.

WESTERN HEMISPHERE

C. S. MONITOR
30 OCT 1963Americas Move
Against IllegalityBy Bertram B. Johansson
Latin America Editor of The Christian Science Monitor

Washington time in several years, is making significant progress against Castro-Communist terrorists, and the economy continues to improve, according to the best judgments in Washington.

The Betancourt government has cracked down on the terrorists, fortified by public indignation that arose when terrorists killed some soldiers and civilians aboard a vacationers' cutting train several weeks ago. Many terrorists have been caught, some killed, others wounded, surprised and ambushed by Venezuelan police and soldiers.

Firm Line Held

Even though steps the OAS may take might seem mild in the final analysis, their intent will be to add to the gradual development and accretion of democratic morality in the hemisphere—that tenuous but strengthening resistance to military coups, illegal governments, and undemocratic procedures, wherever they may appear, and in whatever form.

There are indications, as well, in Washington, that the Kennedy administration intends to hold the line firmly in "disciplining" the military juntas that recently took over democratic governments in Honduras and the Dominican Republic.

A continued withholding of diplomatic recognition and of all foreign aid hopefully will be used to the utmost as a bargaining weapon to convince the military regimes to return to constitutional forms as quickly as possible. Such a policy stance has the support of most moderate left and democratic elements in Latin America.

Terrorists Attacked

A modus vivendi for restoring constitutional government in Honduras and especially the Dominican Republic is actively being sought by these elements and the United States, despite assertions by the military juntas they do not need American aid.

Venezuelan Foreign Minister Marcos Falcon Briceño said Tuesday in El Salvador he is finding support for a hemisphere meeting on Latin American military coups. He added that there was little chance of a coup in Venezuela where the Betancourt government has the support of workers, peasants, and the Army, adding that the Communist terror campaign is failing.

Venezuela, too, for the first

time in several years, is making significant progress against Castro-Communist terrorists, and the economy continues to improve, according to the best judgments in Washington.

The antiterrorist campaign has become strong enough to give the Venezuelan military establishment enough confidence in the government's ability to move against terrorists that it probably will not try to depose President Betancourt.

Problems Loom

If this pattern continues, it is felt here there is almost no danger terrorists will be able to upset the Dec. 1 presidential election which the Betancourt Acción Democrática party candidate, Raúl Leoni, now is expected to win.

If the Acción Democrática party should win the elections, two possibilities of actions and problems would appear. Should the AD make a significant enough victory, the Betancourt government, sufficiently vindicated, might move to clear out the terrorists completely.

Mr. Leoni may need such a tranquil security situation when he comes to office since he is not regarded as one who has the political attraction, administrative capacity, or political finesse that characterizes the Betancourt government.

In fact, this is where the real trouble might come in Venezuela, should Mr. Leoni as president not exhibit a firm hold on recalcitrant elements in the Venezuelan society.

Meanwhile, Venezuela's economy continues to proceed normally, and in some sectors, progressively, despite the terrorist bombings and sabotage of United States shareholder-owned business and industrial establishments which have suffered millions of dollars in losses.

BALTIMORE SUN
31 OCT 1963Violence Flares In Brazil
As Alliance Is DiscussedBy NATHAN MILLER
(Rio de Janeiro Bureau of The Sun)

Sao Paulo, Brazil, Oct. 30—Technical level meetings aimed at breathing new life into the ailing Alliance for Progress began today as violence flared in a strike by about a third of Sao Paulo's 700,000 unionized industrial workers.

Two strikers were wounded and a pair of policemen were shaken up in the first violence of the strike which began at midnight Monday.

Speeches Open Conference

It came as a regional Federal labor court intervened in the strike when Government officials said they could not settle it.

Speeches by Joao Augusto de Araujo Castro, Brazilian Foreign Minister, and other dignitaries highlighted the opening session of the Alliance conference attended by experts from all over the hemisphere.

The Brazilian—in whose country the Alliance has met a notable lack of success, although it is the key to Latin America—said his Government was "confident" that the conference will reach results that will give new impetus to the Alliance.

The second and most important section of the meeting will begin November 11 when the finance ministers are to meet. The United States will be represented by a team headed by W. Averell Harriman, Under Secretary of State for Political Affairs.

Administration Worried

The Kennedy Administration, worried that the Alliance will be an inviting target in an election year, is reported to be willing to go along with plans to give the Latins a greater say in order to get the program moving toward the optimistic goals set for it.

Other matters to be discussed, according to the agenda, include the economic integration of Latin America and methods of stabiliz-

ing the prices of raw materials produced by this area in the world market.

A major result of the conference is expected to be the formation of a "multinational" group—called the Inter-American Development Committee—to oversee operations of the Alliance and take some of the pressure off of the United States.

Suggestion Not Approved

This was suggested in a report prepared by former Presidents Juscelino Kubitschek, of Brazil, and Alberto Lleras Camargo, of Colombia.

Such a committee was discussed at the Punta del Este conference which formally launched the Alliance more than two years ago, but it was not approved when such countries as Brazil, Mexico and Argentina protested it would interfere with their bilateral arrangements with the United States.

Among those present for today's ceremonies was Gov. Adhemar de Barros of Sao Paulo, who has claimed the industrial strike is a failure because most of the plants that have made this city of 4,500,000 persons Brazil's industrial heart are still operating.

Called Leftist Inspired

Supporters of the Governor, a bitter critic of the regime of President Joao Goulart, have charged that the strike was inspired by leftist associates of the President to bring about intervention in Sao Paulo.

As violence occurred, de Barros's supporters noted that Gen. Jair Dantas Ribeiro, the War Minister, had warned that any movement of Federal troops into a state would automatically result in intervention.

This would mean that the Federal Government would take over all governmental functions.

Brazil Clutched in a Relentless

Few Convinced That Inflationary Spiral New Programs Can Assist Economy

By M. J. ROSSANT

Brazil's formula for economic growth is no longer working. The formula, which holds that a tolerable dose of inflation is a necessary ingredient for industrial development, is now causing an economic slowdown.

The country's immense resources — in land, population, and mineral wealth — make her the most powerful nation in South America. But now that she is caught in the grip of a relentless inflationary spiral, she is vulnerable to an economic breakdown threatening her political stability.

Few Brazilians are convinced that the policies of Finance Minister Carlos Cavalho Pinto, who is the fifth occupant of the office over the last two years, will check the inflation in prices. They point out that he is doing little to curb government spending, which is the major generator of inflation.

Economic Activity Drops

This year, inflation in Brazil has gone into high gear. Meanwhile, economic activity has been slackening.

The rise in the price level for the first nine months amounted to just over 51 per cent, which compared with a rise of 52 per cent for all of 1962. Even Government officials admit that the last quarter of the year will see a fresh rise in the cost of living.

According to the most conservative estimates, the rate of inflation will be in the neighborhood of 75 per cent for the year. Others look for a bigger increase, with some economists and businessmen predicting a jump of 100 per cent, with more to come next year.

Growth Slackens

At the same time, there has been a definite slowing down in the rate of economic growth. The Getulio Vargas Foundation, a private research group, reported that total output was smaller than the increase in population during the first six months of 1963, so that on a per capita basis, Brazil is already in the throes of an economic decline.

Although Government officials deny that the economy is receding, declines in production are frankly admitted by executives in the automobile industry, textiles, construction, chemicals and retail trade.

In these industries, businessmen report that they are so squeezed for working capital that they have practically no funds left over for investing in new plant and machinery.

Bankers say that Brazil's future growth will be hobbled by this slowdown in investment. As one prominent banker observed, "Many businessmen still suffer from the illusion that volume is climbing because they fail to

recognize that mark ups in prices, rather than increasing production, is responsible."

Brazil is not yet afflicted with the rampaging inflation that beset Germany after World War I. But a continuation of the present accelerating trend could lead to a foreign exchange crisis or an open clash between labor and industry. Either could produce an economic breakdown that might force the ouster of President João Goulart.

Search for Solution

President Goulart's search for a "painless" solution has succeeded only in destroying his finance ministers while inflation rolls along. The Government, through its control over the Bank of Brazil and its financing of state industries, has been running a huge and growing deficit that has been financed mainly through resort to the printing press.

The Government has repeatedly promised to exercise control over inflation. But it has backed down every time it has come under attack from either industry or labor.

Late last year, for example, Brazil announced a new three-year plan aimed at both stimulating growth and slowing inflation. The plan called for a 7 per cent rise in gross national product while the rate of inflation was cut to 30 per cent through a gradual reduction in the budget deficit.

Since Dr. San Tiago Dantas, Brazil's former Finance Minister, resigned last June, nothing has been heard of the plan. President Goulart has given priority to social reforms, including agricultural reform, even though Government officials acknowledge that short-term control over inflation is an essential prerequisite for attaining his objectives.

Containing Inflation

Last week, Dr. Cavalho Pinto warned that it would be "suicide" to mount a tough, anti-inflationary policy. Instead, he promised to contain

inflation by a series of measures to increase the Government's revenues. But he also plans to spend more on public

investment in order to stimulate economic development.

Dr. Cavalho Pinto did not revalue the cruzeiro in order to spur exports other than coffee, which is currently selling well. While he would like to see more foreign investment, his emphasis was on restoring the growth of the domestic economy based on "our financial possibilities."

In effect, Brazil will be trying to go it alone, and the way she is choosing is unlikely to halt the inflationary spiral.

As a developing country, Brazil has grown by leaps and bounds since World War II, transforming a large part of her population of nearly 75,000,000 from illiterate peasants to skilled workers, and constructing the framework of a modern industrial economy. It has sought to build along democratic lines, yet the very process of rapid growth has produced strains and tensions.

A New Way Out

Brazil bears a close resemblance to the United States in its most rambunctious period of development during the latter part of the 19th century. But the cycle of boom and bust that was then regarded as the price of growth is not considered feasible, politically or economically, by Brazilians. They are searching for a new way out, a way that can provide uninterrupted growth.

Up until recently, many Brazilians had harbored the idea that inflation was a sort of magic bullet that could stimulate growth. During most of the last decade, when inflation averaged over 20 per cent a year, the economy managed to register an increase in gross national product that averaged about 6 per cent a year.

This rapid growth rate seemed to justify the "structural" school of economists, who

Definite Slowdown Evident in Level of Growth Rate

argued that inflation was inevitable in a developing country and would not seriously impede growth. They have been opposed by the "monetarist" school, which contends that inflation creates distortions that act as a brake on growth.

The monetarists now appear to have the better of the argument. Yet even when inflation was less virulent, it produced distortions, with a disproportionate amount of money being channeled in the consumer goods industry and the construction of luxury apartments.

Government Development

Brazilians had little incentive to make long-term investments in heavy industry, or to develop the country's rich mineral deposits, or to diversify its agriculture. The bulk of this heavy investment has been done by Government at extremely high costs.

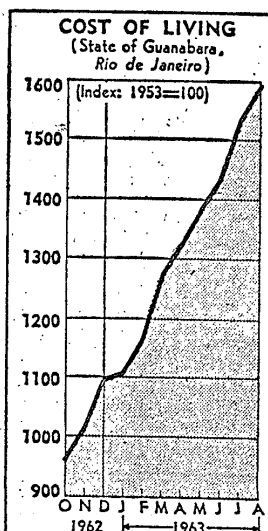
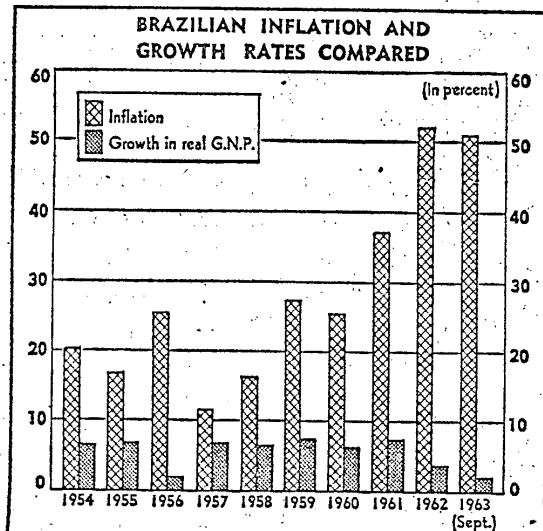
Now, though, the acceleration in the rate of inflation combined with the slowdown in business activity, is exposing past distortions and giving rise to new ones.

With its economic formula operating in reverse, Brazil is in fact exhibiting most of the classic manifestations associated with a runaway inflation.

There has been a flight of money into goods — into stocks, real estate, gold, consumer durables, jewelry. Active demand for American dollars on the part of Brazilians sent the cruzeiro plummeting to a record low of over 1,200 to the dollar this month in Rio.

The amount of funds going into savings has dropped precipitously with the chronic depreciation of the cruzeiro. Savers, of course, have been the chief victims of inflation. Now, they are no longer providing the funds for mortgages and other long-term investments.

Foreign capital, which Brazil sorely needs to speed develop-



ment, also has dried up. The Government, moreover, has failed to stimulate its export trade, which could conceivably earn the exchange to pay for necessary imports.

Prices Are Raised

Under present conditions, manufacturing concerns have been raising prices in an attempt to keep even with inflation. But it has been a losing battle, because when prices rise, labor disrupts production to demand higher pay.

This wage-price spiral is stimulating inflation. And far from restraining the process, the Government has abetted it.

Last month, after promising to hold down the increase in the salaries of Government workers to 40 per cent, it acquiesced in a rise of 70 per cent. In addition, it has been pouring out funds to pay the operating deficits of state enterprises, from the railroads to the oil monopoly.

The Government has taken an active role in trying to settle strikes, usually by giving in to both sides. This has suited organized labor and the bigger business enterprises, but it has hurt unorganized labor and smaller businesses.

The '13th Salary'

Similarly, Brazil's few big agricultural units have managed to withstand inflationary pressure far better than the vast majority of farmers.

But the benefits of inflation are diminishing fast. In December, industry will be faced with paying what is termed the "13th salary," a year-end bonus amounting to a month's pay to every worker.

This will bring new pressure on prices, and it is bound to result in a fresh resort to the printing press (actually, all Brazilian currency is printed in the United States and Britain for the Bank of Brazil).

The latest wage rises are coming at a time when food is in short supply because of severe drought conditions. Rising food prices are exacerbating and aggravating the inflationary pressure, and will undoubtedly provoke new wage demands. The drought, which is centered in the industrial southeast, has brought power shortages that have interfered with production.

Some Brazilian businessmen and economists are predicting a total collapse of the economy by early next year. The majority is less gloomy; they think there is still time to work out plans to bring inflation under control.

No Cold Bath

This is the prevailing view in Government circles, where one top official insisted that the International Monetary Fund remedy, which involves restraint in both credit and spending, is not workable in Brazil. As he put it, "This is an orthodox economy, calling for unorthodox solutions. Brazil is not willing to accept the cold bath prescribed by Washington and Zurich."

In a sense, Brazilians want to have their cake and eat it too. They seem to suffer from an anti-stabilization neurosis, regarding any effective action to check inflation as worse than the disease.

The reluctance to accept the need for restraint, however mild, stems in part from the

fear that it would mean a check on growth — and lead to widespread bankruptcies.

It also is based on the view that sacrifices should be borne by the other fellow. Businessmen think the problem of inflation would be solved by a curb on wages. Labor talks in terms of control over profits.

Business Ambivalent

In business circles, moreover, there is concern that the Government would increase its share of industry as part of anti-inflationary program.

Businessmen have been ambivalent in their attitude because many profited from inflation. This is particularly true for those with access to bank credit or with direct lines to the Bank of Brazil.

Most commercial banks have been lending at an effective rate of 30 per cent, including special charges. With inflation running above 50 per cent last year and at a faster rate now, this amounts to a negative interest rate.

Industrial loans made by the Bank of Brazil, which supplies businesses as well as banks, have been even more attractive. The ceiling on their industrial loans is 12 per cent — loans to banks have a ceiling of 6 per cent — and even after special charges, businesses have had to pay no more than 18 per cent for money.

According to one Brazilian executive, "It didn't take brains to make money if you could borrow on such favorable terms. All you needed was the right contacts."

Clients of Inflation

Until this year, most business interests in Rio de Janeiro and Sao Paulo, the industrial and agricultural center of Brazil, have been borrowing to the hilt, putting their funds into inventory and other fixed assets and paying off in depreciated cruzeiros. Dr. Dantas has characterized these businessmen as "the clients of inflation," because they were in a position to profit through borrowing.

But, with the rise in the rate of inflation, both the Bank of Brazil and commercial banks are much less willing to provide credit, except on a short-term basis. Businessmen, who have credit lines at as many as 20 to 30 banks, are no longer able to put borrowed funds to work in long-term projects. Now all of their funds, those generated internally or from outside borrowing, are needed for working capital requirements.

Willys-Overland do Brasil, S.A., a leading auto manufacturer, is one company undertaking a public campaign against inflation. Willys, which is operating well below capacity and has been raising its prices by 4 per cent to 6 per cent every month in order to stay even with wage increases, asserts that inflation now is eating into capital.

In its annual report, Willys states that "the prices received for . . . products, even when periodically adjusted, are not always sufficient to finance new production at increased costs, and to replace . . . machinery and equipment as it wears out." It notes that "many companies today are forced to contain their expansion, and in many cases even to reduce their activities," with Willys itself in the latter category.

Big Down Payments

Consumers have been willing to pay high rates to buy automobiles and appliances. But banks and finance companies now insist on getting one-quarter to one-third of any purchase as a down payment, and have shortened the payback period with most contracts down to one year. This is cutting into sales and profits.

A similar slowdown is taking place in construction, which had reached super-boom proportions, particularly in Sao Paulo. When inflation was proceeding at what appeared to be an orderly rate, funds were readily available for real estate speculation.

This typical inflationary distortion is still in evidence, but now many projects have been halted because costs are racing so far ahead of estimates. The result is a big demand in shares of existing buildings, which has sent their prices to unsustainable levels.

Despite the disenchantment with inflation, at least in its present pernicious form, there is still a surprising amount of complacency about its impact. Businessmen evidently prefer the slowdown caused by inflation to the tailspin they feel would come with a vigorous anti-inflationary program.

In fact, both businessmen and many economists trace the recent decline in economic activity to Dr. Dantas' mild but conscientious efforts to control inflation earlier in the year. As part of his plan, Dr. Dantas advised consumers to postpone buying because by doing so they would be able to "buy cheaper tomorrow."

This warning had an immediate dampening effect on business expectations, which had been based on the notion that prices would never stop rising. In some quarters, Dr. Dantas has been blamed for clouding the investment climate despite the fact that he was forced to resign and the Government has since resumed its role as the engine of inflation.

There is no telling when the inflationary crisis will lead to a breakdown. The hope is that the economy can hold together until the election in the fall of 1965, when a new president can provide a "bossa nova" — a new look.

Brazilians, who have a firm attachment to constitutional government, believe that a new Government will be able to impose a comprehensive program that will spur growth while eliminating inflation. They are counting heavily on increased help from the United States and the International Monetary Fund, once Brazil demonstrates that she is putting her financial affairs in order.

Inflation May Not Wait

But inflation may not wait until 1965. It is already producing so many stultifying bottlenecks and so much paralysis that one private economist contends that "we haven't got the luxury of being able to take another six months of inflation, even if it got no worse than it is right now."

There is a real danger that the quest for a unique Brazilian solution will destroy the present political structure. The quickening pace of inflation has brought into sharp focus two rival approaches.

On one side, the radical Left, which includes the communists,

seeks to break Brazil's traditional foreign ties and extend the Government's control over the economy. The right, while giving lip service to free enterprise, also favors a nationalistic approach designed to protect Brazilian enterprise against both workers and foreign interests.

While most Brazilians reject these solutions, their refusal to demand, or support, any moderate anti-inflationary program due to fears that it would invite stagnation, has led to Brazil's present dilemma. It is not suffering the worst of both worlds — it is plagued by inflation along with stagnation.

This does not mean collapse is inevitable. Brazil has been in severe economic straits before and has managed to pull through. It has survived a series of critical political upheavals, from the suicide of President Getulio Vargas in 1954 to the surprise resignation of President Janio Quadros in 1961. Clearly, Brazil is a resilient nation, with intangible resources of confidence, ingenuity and determination that come into play when needed.

These qualities, common to every great nation, are precious assets. With them, Brazil may be able to defy both gravity and the prophets of doom.

BALTIMORE SUN

25 October 1963

BRAZIL AIDE AIRS WARNING

Finance Minister Decries
Inflationary Spiral

By NATHAN MILLER

[Rio de Janeiro Bureau of The Sun]
Rio de Janeiro, Oct. 24—Carlo Carvalho Pinto, Brazil's inflation-beleaguered Finance Minister, warned tonight that unless the inflationary spiral is soon slowed down it will be too late to make plans to get the country back on its feet.

And in a nation-wide radio and television appearance, he outlined his efforts to halt inflation—which has increased the cost of living 51 per cent in the first nine months of the year.

Optimism Noted

While Carvalho Pinto spoke in optimistic tones, many observers expressed doubts that he could bring about an improvement without running head-on into the unions which are demanding pay increases to keep up with the cost of living.

The Government's main aim is "maintenance of economic development with containment of inflation," he said in the 90-minute interview—the same sentiments expressed by his ousted predecessor Francisco Sarney Dantas only a few months ago.

Dantas was dropped from the Cabinet of President Joao Goulart after the Chief Executive's leftist supporters in the unions objected to his inflation-containment policies.

Meanwhile, residents of Central Brazil got some good news from the Federal Light Rationing Com-

mission. The six-hour power blackouts ordered last Friday to conserve electricity was reduced to 40 minutes a day following heavy rains.

Warning Aired
But the commission warned that the power cuts could be stepped up again at any time in case of emergency.

Rationing was ordered as the most severe drought of the century brought the levels of reservoirs supplying this area with water for drinking and to operate the hydroelectric plants to the danger point.

Power cuts here and in Sao Paulo, the nation's industrial heartland, have added to Brazil's gigantic economic woes.

In his talk, Carvalho Pinto said the inflationary situation "will be corrected by permanent work, by united work, by continuous work with the collaboration of all or-

gans of public administration. . ."

Top Problems

Among Brazil's top problems the Minister cited the balance of payments. He said Brazil currently owes \$3,800,000,000 abroad with half of it coming due before Goulart is scheduled to leave office in 1965.

To pay this would require 43 per cent of the income from Brazilian exports which are expected to amount to \$4,200,000,000 over the next three years.

What Brazil needs isn't dollars," he said. "It's time."

On the brighter side, Carvalho Pinto said his program was already showing some favorable results. Among them was the reduction of the expected budget deficit to 320,000,000,000 cruzeiros (about 1,100 cruzeiros to the dollar) from the originally estimated 367,000,000,000.

NEW YORK TIMES

28 OCT 1963

Inflation in Brazil

Inflation remains entrenched as a way of life in Brazil. The economic policies just announced by Dr. Carvalho Pinto, Brazil's new Finance Minister, fail to give priority to halting the inflationary spiral. He is evidently planning to tinker with some of the pressure valves while neglecting to curb the boiler of Government spending, which is the source of the problem. By insisting that more public expenditure is needed to spur growth, the Government will be stoking, not dampening, the inflationary fires.

Inflation, which is increasing at a rate of over 5 per cent a month, is now acting as a depressant rather than a stimulant in Brazil. Business is slowing down its long-term investment; labor is disrupting production with increasingly frequent demands for wage increases. Foreign confidence has deteriorated; and, to top it all, it is now evident that Brazil is prepared to go without increased aid from abroad if the price it must pay is a determined anti-inflationary program.

Whether or not it can do without foreign capital, Brazil does not need outside advice to solve the problem of inflation. It needs only the political leadership and will to act. The new financial program falls short because President Goulart is still interested mainly in agricultural reform. With inflation raging, there is no real hope for either reform or economic development.

Economic stagnation will threaten Brazil's political structure. Along with the vast majority of Brazilians, the United States has an enormous stake in the restoration of the nation's economic health and the preservation of its political institutions. Despite Brazil's reluctance to recognize the danger in feeding inflation, we must stand ready to give that great country the help it needs to realize its vast potential the moment that Brazil makes clear its determination to help itself.

BALTIMORE SUN
26 October 1963

Goulart Foes Charge Russia Ships Brazil Coffee To Cuba

By NATHAN MILLER

[Rio de Janeiro Bureau of The Sun]

Rio de Janeiro, Oct. 25—President Joao Goulart's opponents charged today that the Government had permitted the Soviet Union to ship Brazilian coffee to Cuba in violation of a trade agreement.

And they accused the Government of trying to hide the deal.

For instance, the newspaper *O Estado de Sao Paulo* branded a statement by the Brazilian Coffee Institute on the case as "incorrect—not to use more exact terms."

Statement Issued

Yesterday, the Coffee Institute, which controls Brazil's coffee trade, issued a statement saying there had been no reexportation by the Russians and the deal "was a mere business transaction, carried out directly between Brazil and Cuba."

The case — which has stirred strong criticism of the Government because coffee reexportation is considered detrimental to Brazil's trade — resulted from dispatches from Havana saying a Russian ship had arrived with 200 tons of Brazilian coffee.

The Coffee Institute, in its statement, said the shipment was part of 5,000 tons that were sold directly to a Cuban trading corporation for internal consumption.

Fear Expressed

The Soviet Union has agreed to take Brazilian coffee in exchange for Russian wheat and other products. Because the Russians are tea rather than coffee drinkers, Brazilian coffee interests fear that the coffee is being sold on the world market cutting into their trade.

It was also noted that before Castro took over, Cuba was a coffee producing nation.

O Estado gave prominent play today to a dispatch from Havana which quoted the Cuban Agrarian Reform Institute as saying the coffee had been acquired by the Soviet Union and taken to Cuba.

In an editor's note, the paper said the report confirmed previous information that the case involved reexportation. To "disguise" the reexportation, the paper added, the Castro regime also acquired

some Brazilian coffee.

Commenting editorially, *O Estado* said the Russians had treated Brazil like one of its satellites. It is not unusual for the Soviet Union to transfer Polish goods to Hungary or Czechoslovakia but "all these transactions were realized within the Russian empire," it added.

Then the paper asked what would have been the reaction from the leftist-nationalists surrounding Goulart if the United States had reexported coffee to South Vietnam in the face of Brazilian objections.

"The nationalist front would have dedicated a whole session of Congress to discussion of such imperialist exploitation. The National Students Union would have released a manifesto condemning Yankee spoliation."

Protest Meeting

"Gov. Miguel Arraes would have declared it useless to combat inflation without ousting foreign capital. The general labor command would have organized a protest meeting — probably with the presence of Joao Goulart — and Carlos Lacerda would be blamed for this attack on the national sovereignty. . . ."

Writing in the *Rio* paper *O Jornal*, Theophilus de Andrade, former president of the Pan American Coffee Bureau, called the Coffee Institute's statement "a big lie" and "not an explanation but a confession."

Then he asked how would Cuba make payment if the transfer is a business transaction.

Questions Asked

Contending that the Cubans have neither sound international currency nor goods that interest Brazil, he said payment would be made by the Russians within the terms of the trade agreement with Brazil.

"How is Russia going to pay us?" Andrade asked.

"With low quality petroleum that is ruining our refineries which are geared to take the type produced in Venezuela and the Middle East? With wheat that they don't have for internal consumption and are buying for gold and international currency from the United States and Canada?"

NEW YORK TIMES
27 OCT 1963

THE EVENING STAR
Washington, D. C., Monday October 28, 1963

COLOMBIA SEEKS TO SPEED JUSTICE

500,000 Cases Pending in Court, and Backlog Grows

By RICHARD EDER
Special to The New York Times

BOGOTA, Colombia, Oct. 24.—The Government has begun a series of reforms to prevent the courts from breaking down under a swelling load of cases.

Justice Minister Alfredo Araujo Grau said in an interview today that the growing inability to punish crime was one of the country's most pressing problems.

Congress gave the Government almost unlimited authority last month to revise the penal code, legal procedures and the court system. Six commissions are working on specific reforms that will then be submitted for Cabinet approval.

This week the first decree was issued. It struck sharply at the problem of dealing judicially with the country's rural bandits, once the army manages to catch them. For one thing it raised the penalties for multiple crimes by a person or group.

It also makes it possible to convict for criminal association. Up to now, if bandits were caught near a mound of corpses it was not enough to prove the group was responsible. It had to be proved which bandit was responsible for which corpse.

500,000 Cases Pending

According to Mr. Araujo the main obstacle to justice in Colombia is the press of business in the courts. There are now 500,000 cases pending—in a country of 14 million population—and the backlog is growing by 40,000 cases a year.

Most kinds of criminal cases can be dismissed if they are not dealt with in a specified number of years. Because of the backlog almost twice as many cases die on the calendar each year as are dealt with. This makes the odds for a criminal pretty favorable, even assuming the evidence against him is solid.

The reforms will attempt to correct this situation. According to Mr. Araujo, the most important item will be a drastic decentralization of the courts. At present, cases of any seriousness must wander uncertainly from village to departmental capital to Bogota, trailing writs, depositions and clouds of lawyers.

The reform will station judges with wide powers in each municipality so that most cases can be settled on the spot. This will mean almost doubling the number of such judges. Mr. Araujo estimates that the cost of this aspect may be \$10 million.

Other aspects of reform that the commissions are working on include a new prison system, penal codes for smuggling and juvenile delinquency and formation of an investigatory police system for the courts. Also, a revision of the penal code is being prepared with the object of simplifying procedures.

U. S. Understanding Needed In Argentina, Illia Says

By JOHN M. HIGHTOWER
AP Diplomatic Correspondent

BUENOS AIRES, Argentina, Oct. 28.—In his easy-going country doctor manner, President Arturo U. Illia diagnosed the ailment afflicting relations between the United States and Argentina—and the rest of Latin America, for that matter. The disease: misunderstanding, mostly by Americans, in his view.

"This is one of the fundamental questions that the American people must understand: we in Latin America are making a real effort to try to stabilize ourselves," he said.

Americans, he implied, could help by understanding the action his government plans to take in nullifying multi-million dollar contracts with United States oil firms. This is something that must be done, he said, despite the fact that the plans already have created a bad turn in United States-Argentina relations.

The 63-year-old, white-haired physician displayed enormous confidence in a 90-minute interview that he could do the job ahead of him: rebuilding Argentina after a long period of military domination that shattered the nation's democratic government.

Rebuilding Need Cited

He argued that rebuilding democracy in Argentina requires a reassertion of national policy control over basic industries and public utilities and that the oil issue arises from this need.

Dr. Illia has denounced some contracts as illegal or uneconomic from Argentina's viewpoint.

Yet he said his government has no intention of throwing out all foreign oil companies. Furthermore, he said, the government wants the co-operation of United States and other foreign oil companies in future development.

Elected July 7 and inaugurated October 12, Dr. Illia is only now beginning to formulate action programs for economic, social and political reforms he and his People's Radical Party are pledged to make.

Until he became president, Dr. Illia practiced medicine and was active in politics in the central province of Cordoba. He is a tall, slender, fatherly man. He has impressed American diplomats and businessmen here as sincerely determined to carry through his reform program.

Topics Listed

In the course of the interview he touched on these topics:

Alliance for Progress: It must be "Latinized"—that is, geared to each country's con-

cept of its own needs. United States domination must be ended.

Communism: "The problem of communism is overcome in Argentina" and his government will help prevent Communist takeovers of other Latin American nations.

Military coups: The basic solution to military seizures must be found in building strong economies within each country in order to remove the initial causes of instability.

Cuba: "I think we should do our best for Cuba and the Cuban people to be restored to democracy, to inter-American life and to participation in the OAS (Organization of American States)." But Argentina will respect the OAS decision which expelled Cuba from the organization.

Argentina's internal problems: His major economic aim is to raise the workers' share of gross national production from the present 45 per cent to 60 per cent; build up agricultural production, to increase Argentina's earnings from exports, particularly wheat.

Here are some of the questions and answers given during the interview:

Questions and Answers

Q.—During your political campaign, you developed the theme of an independent foreign policy for Argentina. In more specific terms, what does an independent foreign policy mean?

A.—The term means we act on the assumption that we represent in the government a sovereign country. . . . We expound our point of view in accordance with the point of view of the country. . . . We want to have our own viewpoint, but we want to follow a policy, regarding the Americas, in which all the American nations are participating, and also to take part in the international set of nations.

Q.—Mr. President, as you know, Cuba has been expelled from the Organization of American States. In this sense, would you be in favor of readmitting Cuba to the OAS?

A.—I think we should do our best for Cuba and the Cuban people to be restored to democracy, to inter-American life and to participation in the OAS. There exists a decision taken by the American nations in the last conference, and we respect it.

Trade With Communists

Q.—Have you had time to think about the possibility of trading with Communist countries, particularly with Russia and Red China?

A.—We will trade with all countries in the world, with which Argentina finds it suitable to trade. We will adopt in this sense the sovereign conception of a country that

has a right to exercise this function as all other democratic countries of the world are doing now.

Q.—With reference to direct relations between Argentina and the United States, does the conception of the Alliance for Progress and its program serve any useful purpose in Argentina, in your opinion?

A.—We are totally in agreement with the economic, social and cultural aims of the Alliance for Progress . . . but the aims of the alliance should not be twisted into thinking that it can serve as a way of defending America against the possibilities of advances from abroad . . . we believe that the best defense is to avoid, in all of the American peoples, totalitarian type cataclysms that are very difficult to overcome afterwards. This alliance should be directed to strengthen the economy and the social conditions of the peoples, to prevent such cataclysms.

Role of U. S. Discussed

Q.—Do you think there is too much control by the United States over the policies of the Alliance for Progress program?

A.—I think that the people of the United States or at least a part of them have no real understanding of the needs for internal stabilization of the American countries which can be achieved through the Alliance for Progress. Conditions have been imposed that deprive the alliance—and this is my second observation—of dynamism and force.

Q.—Do you feel that there is a great lack of understanding in the United States as regards oil contracts? What immediate measures do you suggest to solve the oil problem?

A.—We will follow our oil policy as we have said before the election, during the election and afterwards. The contracts not in agreement with

the policy will be annulled, but in accordance with our law and constitution. There will be indemnification. We will not take violent measures against anyone. The government will act in accordance with legal standards.

Q.—Do you consider communism to be a serious problem in Argentina and in Latin America in general?

A.—I can tell you with absolute certainty that communism is no problem in Argentina—nor will it be one. The belief must be accepted in the United States that our people have a thorough vocation for democracy . . . and we—respectful of our fellow nations in America—will help in every way possible to prevent communism from taking over any other nation. This is perhaps the foremost point where our thoughts agree with those of the people and the Government of the United States.

C. S. MONITOR
25 Oct. 63

Japanese Ties To Latin America

By a Business and Financial Writer of The Christian Science Monitor

New York Japanese trade and investment in Latin America has increased faster than it has in any other area, the Chase Manhattan Bank points out in its quarterly publication Latin American Business Highlights. "Although this development is not generally recognized," the report says, "the new partnership has emerged as an important factor in the economic future of the hemisphere."

Japanese sales to Latin America since 1957 have increased at an annual rate of 18 percent, reaching in 1962 a record amount of \$354 million.

But even more important for Latin America, Japanese purchases in 1962 totaled \$477 million, leaving a trade balance of \$123 million in favor of Latin America. But purchases are growing only at half the rate of sales.

Flow Concentrated

The Latin-American market is important for Japanese goods, but it is even more important as a source of raw and semifinished materials. Japan is being pressed to develop new export markets and to supply industrial raw materials to its fast growing industrial economy.

It is this strong need for raw materials which gives Latin America the trade surplus. The bank cites Mexico, Chile, Peru, and the countries of the Central American common market as the best examples of this trend.

The flow of investment from Japan into Latin America has not been evenly distributed, but is concentrated in a few countries. Also, these funds

have tended to concentrate in heavy manufacturing. This is in line with the desire of the hemisphere to speed up industrialization and to spur capital goods exports.

The largest single investment involved is in steel. "A consortium of 14 Japanese concerns with the backing of the Japanese Government is participating to the extent of 40 percent in a \$220 million

Brazilian steel mill project," the report states. Sizable investments also have been made in the nation's shipbuilding industry.

It is of particular interest that both governments have extended various measures of protection to facilitate this investment flow. In Brazil's shipbuilding industry, for example, the government has excluded foreign competition, which has been largely Japanese.

Machinery Imported

Thus the building of these industries has involved large imports of Japanese machinery and equipment, but it could eventually cut into certain segments of the Japanese export market, the bank reports.

Until 1960 Brazil imported all of its ocean-going vessels. At that time Japan supplied 40 percent of Brazil's ship imports. But now, with Brazil's shipbuilding capacity grown to 122,000 tons, and this capacity expected to double by 1965, ship imports have been halted.

The long-term trend for Japanese trade and investment in Latin America looks good, the bank feels. But in the near outlook, capital flow, especially direct private investment, "is likely to fall short of the level of recent years," the bank predicts.

C. S. MONITOR
25 Oct. 63

Illia Gives Cue To Argentines In Major Speech

By Norman A. Ingrey

Special Correspondent of The Christian Science Monitor

Buenos Aires

A new Argentine president usually gets a good reception on his first formal appearance. Dr. Arturo Umberto Illia also made an excellent impression.

He lived up to the advance character portrayal of his being an unassuming and sincere citizen with a streak of crusading fervor. There was not one word of bombast in his message to the nation.

This is worth recording, since Argentines, in the post-war years, have been torn by sharply divided opinions—and sometimes by sheer rancor.

It is true there have been only two elected presidents over the period. One (Juan Domingo Perón) deliberately preached class war and disseminated fear in order to rule. The other (Arturo Frondizi), while using fair words, was never entirely convincing because of the questionable alliance on which his power was based.

It is like a breath of fresh air, therefore, for Argentines to have a new national leader—the first ever to be inaugurated in a business suit, with a simple, quietly spoken message for his fellow citizens and the world at large.

But he impressed. There was nothing exciting in his speech. The cynical may dismiss it as so many words. The attentive and generous will be guided in their reflections by the tone as well as the text of the message.

Name 'Corrected'

The only breathtaking "incident" was when Dr. Illia was sworn in. The press corps and many others were taken by surprise. They almost gasped as he clearly said: "I, Arturo Umberto Illia, . . ."

The next day the President's name appeared in all newspaper headlines and stories without an accent on the second "i" and a score of editorial directives went out to ban the "i" for all time.

The mystery of how the accent ever crept into usage continues to intrigue, for in Spanish, of course, to accent or not to accent often raises high academic issues. Dr. Illia (without the accent, thereby making his name rhyme with "chillier") clearly enjoyed disconcerting the journalistic sector of the congressional assembly.

Doctrine Affirmed

As for the message itself, it emphasized the old radical doctrine of freedom for all, independence for the judiciary, fair trading, sound money, and defense of national sovereignty. The "peace and quiet" note was dominant.

This does not mean there is going to be "pazy tranquilidad," as the slogan goes in Spanish. The Peronists already have be-

gun reforming their ranks and demonstrating. Dr. Frondizi, the deposed President, has promised loyal but firm opposition.

Rogelio Frigerio, the "gray eminence" behind the Frondizi regime, is back in town as pugnacious as ever. He fled to Uruguay when the military-backed government of Provisional President Guido ordered his arrest.

'Siestas' Doubted

Nor does it mean that this will be an easygoing regime, taking its time over doctrinal discussion, adhering to the institution of the "siesta" and enjoying steaks and salad to the accompaniment of the guitar, which is still something of a political routine in the provinces where the majority in the new government come from.

It does, however, mean this: Henceforth, time will be taken to discuss every important issue. Issuance of scores of decrees and administrative decisions which have confused and complicated Argentine life and business and frequently brought the law into disrepute, will be stopped.

Every major and many seemingly minor points will go to Congress, but not before full information has been gathered, opinions sought and analyzed, and Cabinet unity established. Trade and finance are included.

The courts will be completely independent and their verdicts respected. This is what Radical doctrine means. It may also mean a lot of political controversy and trouble in the future, but the type of man now governing in Buenos Aires, symbolized in President Illia, practices as well as preaches this doctrine.

Many Problems Left

Big and baffling problems remain. The Peronistas have yet to be "integrated." Reconciliation tasks within and between the armed forces persist. A staggering budget deficit amounting to half the national revenue threatens the stability of the peso. Industry and employment are depressed.

It is not going to be easy to persuade the Illia government into any diplomatic or commercial relationship that is not according to the law and yielding reciprocal benefits.

The new President has made it crystal-clear that the Radical foreign policy remains fundamentally what it was years ago between World Wars I and II and that it will stand up to all modern change.

Britain was indirectly reminded that, though Argentina will never depart from the pacific course, the Falkland Islands in Argentine eyes remain the Malvinas—which signifies Argentine.

WASHINGTON STAR
27 OCT 1963

PERU ON THE MARCH

Urgency Grips Nation On Alliance Projects

By GEORGE SHERMAN
Star Staff Writer

LIMA, Peru.—This country is living proof of how topsy-turvy the wild world of Latin America really is.

Today Peru, fourth largest country of the southern continent, is suddenly on the march. Direction and pace still await final definition. But impending change is in the air—like electric sparks seeping out of the dank mist perpetually over Lima during their gray spring months.

Earnest young administrators—many scarcely more than 30 years of age—repeatedly pose the challenging question: "Don't you think Peru has become the leader of the Alliance for Progress in Latin America?" No answer is expected. On their lips the question is an affirmation in itself. What a striking contrast with just six months ago. Then Peru was the pariah of the hemisphere. In July, 1962, a military junta had deposed the constitutional government, frustrated national elections, closed the Congress, and set up an all-military government.

U. S. Broke Off

The United States immediately suspended diplomatic relations, and economic and military aid. In the modern red tile embassy diplomats and aid officials looked at their cancelled plans and despaired for the future. Of all the countries in Latin America, Peru seemed to cry out the most for drastic reform.

An estimated half of the 12 million people are illiterate. Only one-third actually participate in the money economy. Eight million are considered full-blooded Indians, and half of them speak only their own native dialect of Quechua, not Spanish. Thousands are now flooding down to the richer coastal regions to escape starvation and near-serfdom of an archaic landowning system in the high Andes. Giant haciendas, mainly on this jagged backbone of the country, make up an estimated 5 per cent of the farms in Peru, but they cover 85 per cent of the cultivated land.

The result is explosive discontent in the highlands, and mushrooming slums around the coastal cities.

By most standards, it is not a situation tailored for do-nothing government. Chaos always seems just around the corner. Yet the military junta conceived its role simply as caretaker to prepare new elections. Peru virtually marked time for one whole year. The

First of Four Articles on Peru

Kennedy administration eventually recognized the caretakers, but kept relations at a coolly correct distance.

Despite all the gloomy indicators, the military rulers did persevere. They carried out their promised task on schedule. New elections were held last June. And on July 28—little more than a year after seizing power—the junta handed the government back to a civilian president and new congress.

Fernando Belaunde Terry generally considered the favorite of the military, became the new constitutional president.

Almost overnight things began to happen. All the pent-up zeal for reform seemed suddenly to find embodiment in the new President. "The last shall come first," he said of the underprivileged masses in his inaugural address. Three months later, he is already perched atop a mounting wave of "peaceful revolution"—not entirely his own making—which threatens to shake this country from top to bottom.

Actions Mount

Even a partial list of Belaunde actions sounds like a Madison avenue brochure for the Alliance for Progress. He is sponsoring new municipal elections for the whole country in December, the first in 44 years, which will help liberate local government from the stifling central bureaucracy in Lima.

After two weeks in power, he not only proposed a drastic agrarian reform law to Congress. He also acted on his own constitutional authority to begin government buying of 250,000 acres in the central high sierra for indigenous Indian communities.

He nationalized the private tax collecting agency which formerly gave the big commercial banks control over government finances. He reorganized the state mortgage and agricultural banks to expand credits to small home owners and small farmers.

He raised the government budget by \$154 million—almost 20 per cent—to absorb a hangover deficit and to provide for such new expenditures as doubling the Agriculture Ministry budget. To pay for the increase, he proposed controversial new taxes on luxury and not-so-luxurious consumer goods.

"Before I took office your aid officials complained that things moved too slowly in Peru," laughed President Belaunde during a private interview here. "Now they complain that we move too fast."

Throughout the capital, United States advisers, aid officials and diplomats are working overtime, not only to keep up the pace, but also to make economic sense of it. Fourteen development projects worth \$78 million in aid already have been forwarded to Washington for final approval. All were quietly prepared with Peruvian technicians during the year of the junta. New priority also is being given to a rushed Belaunde proposal for \$43 million agricultural credits to help newly independent peasant farmers over five years.

Impatience is the keynote of the Belaunde government. Impatience with the status quo, with obstacles to changing it. Young administrators look at plans more as necessary evils to satisfy stingy North American bureaucrats than as blueprints for constructive action. Somehow they feel that their race with time depends upon immediate and easy access to United States aid dollars.

Reason for Their Hurry

"We must hurry if we are not to lose our chance to have a revolution without dictatorship, without bloodshed," said Eduardo Orrego, 30-year-old No. 2 man in Mr. Belaunde's Accion Popular (Popular Action) Party and head of the new "Social Co-operation" program which is to spread tool centers and technical advisers through 2,000 district and provincial capitals of Peru.

"Our aim is to create local initiative with picks and shovels and a few well-placed words of advice," he explained. "Let the people learn responsibility by building their own roads and schools. We must break this terrible dependency on Lima." Almost as an afterthought he added: "We shall make Peru

the democratic counterweight to Castro in this hemisphere."

The Belaunde opposition already has labeled his program as the "best-selling fiction of the year." But Mr. Orrego has no fictional air about him. He means business. He already has 40 staff persons working full time at a converted white stucco town house in a fashionable suburb. After only one month, four pilot projects have been started. Two thousand university students are to be recruited for jobs during the summer vacation which begins here in December. Fifteen hundred Peace Corps volunteers—who have won universal respect here for their community development work—have been requested. And an \$11 million loan for bulldozers, tractors and lesser equipment is being sought from Washington.

The slow United States aid process seemed to upset Mr. Orrego more than domestic cynicism.

U. S. Processing "Too Slow"

"It took us eight weeks of discussion with your aid officials here to draw up an 18-page memorandum on the program," he said. "And that is only the beginning. Next comes a three-page outline for the \$11 million loan. That will grow into a book of 300 pages which will take two months at least to prepare, and that will have to go to the Agency of International Development in Washington—which is bound to send it back for more elaboration of various points. . . ."

"At that rate we shall not get the loan for at least two years. And what do we do for equipment in the meantime?"

In half-serious tone, he concluded:

"The trouble is that up north you do the twist, and down here we do the cha cha cha. They are two different rhythms, two different dances. How shall we ever put them together?"

The trouble with his analogy is that, politically speaking, the Peruvian cha cha cha has long been garbled and dissonant. And, as the following articles will show, many Peruvians are still less certain than many North American aid enthusiasts hear about the particular melody to which Peru is marching under President Belaunde.

Tomorrow: Indecision underlies surface calm.

WASHINGTON STAR
28 OCT 1963

PERU ON THE MARCH

'Peaceful Revolution' Drives Wavy Course

By GEORGE SHERMAN
Star Staff Writer

LIMA, Peru—Vague uncertainty grips this turbulent country on the Pacific coast of South America.

For nearly three months Peruvians have heard and

Second of Four Articles

watched their new President proclaim a "peaceful revolution."

Today few deny that Fernando Belaunde Terry stands for drastic change. But no one here is really sure as to whether he is marching Peru toward peaceful change or toward chaos and bloodshed.

The result is a deceptive calm. While surface life goes on as usual, electric indecision holds sway underneath. Over in the stately Congress, opposition leaders—who control both houses—dutifully work on an avalanche of basic legislation inspired by the president. Both government and opposition politicians loll in the restrained honeymoon between congress and the chief executive.

"Must Help This Regime"

"We must help this regime to survive in spite of itself," said Senator Luis Alberto Sanchez, a respected leader of APRA (American Popular Revolutionary Alliance), the party with the largest single bloc in Congress.

The bloody feud between APRA—a mildly Marxist but anti-Communist party with mass discipline among the lower classes—and the military high command has dominated Peruvian politics for over 30 years.

In many military eyes President Belaunde's chief merit is a popular counterweight to APRA.

Critics Are Vocal

"Most of all we must have six years of stable civilian democracy here," Senator Sanchez said. "We are willing to sacrifice much for that peace. We have to show the military that a civilian regime can run the country without them."

This pressure for political compromise is only part of the picture. Outside Congress—in the shacks of the slums, in the homes of the budding middle class, and in the mansions of the rich—contradictory passions are promoted by the Belaunde government.

"Impetuous" and "neurotic" are perhaps the least objectionable adjectives which Mr. Belaunde's critics apply to him. Others range all the way down the scale to "demagogue," "cynic" and even "liar."

Critics point to the president's persistent refusal to use police power against the Indian communities which are follow-

ing extremist agitators in invasions of private estates. Each day the opposition press here is full of disquieting headlines from the Andean sierra about new land invasions incited by government inactivity and the promise of land reform now before Congress.

Businessmen are upset. A proposed \$150 million tax stamp program to cover all commercial and financial transactions, and such consumer goods as imported automobiles, cigarettes and liquor, has raised a storm in Lima. Critics say the tax plan was hastily prepared to fit a bloated budget and that it will stifle industry and business which are the most productive part of the economy.

These businessmen do not deny that the Peruvian economy is presently sound, with a free and stable currency more than \$100 million in reserves. But they note both domestic and foreign investors are either holding back or sending their money out of the country "until they can see which way Peru is headed."

Another issue against the president is his erratic political behavior before winning the presidency. Critics still remember how Mr. Belaunde shouted "fraud" when he did not win the national elections in 1962, how he made a futile and histrionic attempt to start a revolt in his home city of Arequipa, and how he finally supported the military coup in July, 1962.

For these people his subsequent victory in June, 1963, elections after a year of military rule is more an object of scorn than praise.

More conservative circles also cannot forget the early Belaunde flirtations with the Communists, as well as the radical left which still inhabits a small wing of his Accion Popular (Popular Action) Party. Confident predictions are being made that he is about to ally himself informally with the few strong Communist trade unions in order to break the APRA hold on organized labor.

Popularity Growing

But these doubts and suspicions—some of them just, many of them unjust—do not seem to dent the soaring popular image of the man.

He has quite blatantly appealed to the ambitions of the underprivileged, to those millions of illiterates and semiliterates who are not allowed to vote here but who together compose a massive force for change. Indeed, many of Mr. Belaunde's more sober admirers fear that, once on this proverbial tiger's back of revolt, he will not be able to get off.

At his side directing the campaign stand fervent, young, intellectual "Belaundistas." They are both inside and outside the Accion Popular Party. Many are former students of the architect-turned-president, and all come from the same growing middle and professional classes. Their organization is still faulty, their ideas hazy, but they act and talk like missionaries.

Their goal: To break up the close-knit oligarchy whose interlocking bank directorates and vast landed estates have a strangle-hold on Peru.

Pick and Shovel Symbols

The pick and shovel are the "Belaundista" symbols of revolt. "Picos Palas para Revolucion sin Balas" (Picks and Shovels for Revolution without Bullets) is their rhythmic slogan. And the mass rally is their chosen vehicle for proving the power which both symbols and slogan wield.

President Belaunde's 51st birthday here October 8 provided an occasion for a rally. More than 150,000 partisans filtered through narrow shopping streets to stand shouting and chanting before the high presidential balcony over the beautiful Plaza de Armas.

They came in trucks during the evening rush hour. Horns bleated in unison. They came on foot, in tattered shoes and heavy Indian dress.

Makeshift groups paraded their picks and shovels aloft with chalked slogans — "Arms against Misery," and "We Stand with Agrarian Reform."

The thousands of weaving shovels, wrapped in patriotic red-and-white bunting, cast weird shadows in the lighted statuesque fountain. Inside the palace courtyard picks and shovels were laid in ritualistic piles for transport to the interior.

When the grey-haired president finally stepped out on the balcony two hours later, he did not say much. He did not have to. The object of the exercise was the dramatic demonstration of his popular following.

To repeated cheers, he told the crowd that "Peru is not a country in turmoil but a country of pacific renovation."

Theme of Interview

Several days later Mr. Belaunde returned to this same theme during interview in his presidential study, not many rooms away from that same balcony.

"We are making our revolution like a good surgeon performs an operation, with aesthetics," he said.

"We are doing our best to break the pain. We are not acting arbitrarily. We are not using force. We are using good will, persuasion and patience. We are listening to our critics, and we are also talking to them."

Why had he refused to use his police force against the illegal Indian invasions of private haciendas?

"We are using persuasion," he repeated. "We are explaining to their leaders that they must wait until the land reform is passed. Congress is debating it, and I am hopeful that it will be approved soon."

He went on to attack a "small group of people" in Peru who have lost power, but who still think "they can stop the march of history with their hands."

"These people want to trap us at an impossible crossroads. If we use the police as they urge, we will lose the popular support we need. If we do not use the police, then they claim we are weak, indecisive, and have lost authority to govern."

"But we have a third way—to push ahead with plans for reform against all opposition with all our power. The police will use force only when we see violence coming."

Military Strength

He also touched upon what most observers here feel is his greatest source of strength—his military establishment.

"The Peruvian armed forces are greatly misunderstood abroad," he said. "They are absolutely loyal to the constitutional government. They want reforms as much as I do."

He dragged down one of the many charts piled high on a heavy carved cabinet. It was the "civic action" plan of the navy which began August 7. The whole Peruvian river fleet has been mobilized to visit the interior with civilian and military doctors and nurses.

This military support is undoubtedly a vital asset for the Belaunde government. But that government is still only months old. The basic question still to be answered is where will that military establishment and the President himself stand once the battle lines over tough reform are more clearly drawn in the months and years ahead.

TOMORROW: Indian "Invasions."

THE EVENING STAR
Washington, D. C., Tuesday, October 29, 1963

PERU ON THE MARCH

'Land Invasions' Peril Plans

By GEORGE SHERMAN
Star Staff Writer

LIMA, Peru.—"Invasion" is the most dreaded word in the Peruvian vocabulary these days. To some people it is a symptom of chaos swamping the country under the new government of President Fernando Belaunde Terry. To others, it signifies a regrettable perversion of that orderly march of progress proclaimed by the Belaunde "peaceful revolution."

But to all, "invasion" means the mounting flood of land-hungry Indians lawlessly leapfrogging each other onto private landed estates.

Up on the high Andean plateau, where some six million people live on land that under existing feudal conditions can support about three million, the flood is threatening to sweep away the inertia of centuries.

Extremists in Lead

The invasions are carefully staged. Some are led by extremist agitators, loosely grouped together as "Communists" in the ill-defined vocabulary of politics here.

The tactic is to send an advance guard of women and children, carrying red-and-white Peruvian flags and such banners as "land or blood" on to unguarded haciendas.

The men follow with livestock and straw matting to build rude Indian huts over as wide an area as possible. New boundaries are then marked out with the hundreds of national flags, and a new community farm is born.

The same process is spreading down along the coast around large cities, but for different reasons. Here the demand is for living space for the new Indian proletariat, not for farm land. And the results are outlying slums, or "barriadas," which are beginning to hem Lima in on all sides.

Barriada Near Lima

Moron, 15 miles outside the capital on the main highway into the central sierra, is one such barriada. In these hills there is perpetual spring, the sun is always shining—in contrast to Lima, where a misty fog shrouds the city for six months of the year.

The invasion of Moron began last May. Today 5,000 people live here in straw shacks amidst a blaze of dirty flapping Peruvian flags.

Most of the inhabitants are peons who work in the corn and cotton fields of neighboring haciendas. The land they claim stretches one-and-a-half miles to a beer factory down the road.

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This stretch was carefully chosen. Its ownership is contested between a local Argentine landlord and the state.

The land was unused and clearly unsuited for cultivation. Rocky and narrow, the area is squeezed between the rushing Rimac River and the railroad tracks.

"When that engine chugs up and down these mountains 10 times a day, it feels like the train is going right down the main street," said Tim Kish, one of five Peace Corps volunteers working and living in the barriada.

Community life is already well established in Moron. For four hours every Saturday the elders of the 800 families meet in the straw "town hall" to hear reports from their elected council and committees, and to discipline members for everything from excessive drinking to dues arrears.

Over by the murky river grimy children play. Drinking water comes from nearby wells already contaminated with mine refuse and human sewage thrown into the river upstream.

Invasions in Andes

Over in the new grass school-room-church—the pride of the Peace Corps architects—the tiny Indian teacher in white smock, Elsa Josephina Castro Nieto, bemoans the poverty of her 200 students: "they are so poor, none of them even knows what meat is."

But it is not these blossoming suburban barriadas that are currently worrying established Peruvian society. It is the invasions in the remote Sierra of the Andes.

There the large landowners are on the defensive. One mining family, Fernandini by name, already has folded up and is selling its 750,000 acre hacienda under the impact of Indian invasions.

The Cerro de Pasco Mining Corp., the largest American-owned operation in Peru, already has had 62,500 acres of its 665,000-acre ranch occupied, and is currently negotiating with the government over sale of another 75,000 acres.

Urgency in Congress

The mass unrest in the mountains is producing an acute case of jitters in the capital. Foreign and Peruvian businessmen are obviously scared of the repercussions. Until the land question is settled, they see little hope for expanded investment.

The upshot is a growing sense of urgency in the Congress over land reform. Committees are now studying three competing proposals—one sent by President Belaunde two weeks after his inauguration in July, one produced by the followers of defeated candidate Gen. Manuel Odría, and one introduced this month by the large APRA Party (American Popular Revolutionary Alliance). A compromise is confidently expected by December.

Although the Belaunde reform program would make all arable land in Peru subject to possible expropriation, it is directed primarily at the huge haciendas. The land would be taken on a progressive scale, depending on its cultivation and whether it is pasture or irrigated farm land. But wide exceptions would be made for those owners who could prove their efficiency and also produce programs for their peons' welfare.

Oppose Payment Method

The large landlords base their opposition on the proposed method of payment. Through huge paid advertisements and behind-scenes pressure, the National Agricultural Association—the landowning front—demands full cash payment for their lands.

The Belaunde plan—which is also finding support in the Congress—is to issue 20-year state bonds paying 5 per cent interest. They could also be used in payment of certain kinds of debts or for investment in new industrial enterprises.

The President is also trying to arrange to guarantee his bonds with other bonds issued by some international financial institution such as the Inter-American Development Bank. At the same time his government plans to spend \$150 million over five years in credits to help newly-independent peasant farmers, and is asking another \$43 million in United States aid for the program.

So far the President has refused to use police power to evict the invaders, partly because he does not want to use force against the very people he hopes to help and partly because he believes the opposition is trying to destroy his expanding base of popular support.

But many observers in this capital believe the time is approaching when President Belaunde will have to make a show of force.

"These people only seem to respect authority," said one United States expert. "Every time the government asks the communities to stop, there is another outbreak of invasions somewhere else."

"If he does not put his foot down soon, the whole dam is going to burst."

TOMORROW: The "mysterious Communists."

THE EVENING STAR

Washington, D. C., Wednesday, October 30, 1963

PERU ON THE MARCH

Red Tactics Puzzle Nation

By GEORGE SHERMAN
Star Staff Writer

LIMA, Peru. — Communist tactics are one of the biggest mysteries in Peru today.

Officially the Communists do not exist. They are outlawed by the Peruvian constitution. Even legally organized under another name, they still are not considered a significant political force.

"Their line still is not clear to us," said Foreign Minister

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Fernando Schwalb in an interview. "The Communists are always in opposition to any democratic government, but at the moment they are less outspoken than the extreme right."

His somewhat more naive colleagues, whose enthusiasm, idealism and imagination give the greatest drive to the new government of President Fernando Belaunde Terry, tend to dismiss the Communists altogether.

They proudly point out that Peru is not suffering the Communist terrorism currently afflicting Venezuela, Colombia and Central America.

A Temporary "Honeymoon"

All of which is true—at the moment. Peru is experiencing a honeymoon in politics which even the most wild-eyed optimist does not expect to continue.

The problem now is to find a formula for translating attractive promises into action without provoking extremist tensions which topple democratic government. It is essentially a question of organizing a firm middle ground upon which moderates can stand in pushing reforms.

Danger Spot

But it is here—in the organization of power—that the Belaunde government is weakest, and where the greatest potentiality for Communist mischief exists. In certain key sectors the Communists have the organization which the President lacks and needs.

One danger spot is right inside Mr. Belaunde's own ruling Accion Popular (Popular Action) Party, although that danger is not nearly so great as conservative critics charge. Accion Popular leaders

themselves admit that the party is badly organized. It was only started, almost on the spur of the moment, back in 1956 to support Mr. Belaunde's first presidential campaign. It has never had any governmental responsibility.

It is not a disciplined organization but a conglomeration of groups ranging all the way from the extreme left to large landowners and businessmen.

"The government seems to speak with about three different voices," said a leading opposition politician in Congress. "The President proposes one thing, his party in Congress says another, and his Christian Democratic allies in the coalition say still another." And estimates of a vague kind of left extremism within the Accion Popular congressional delegation range all the way up to 30 per cent.

Dynamic New Leaders

But this confusion is now being resolved. At its annual conference in September Accion Popular—with behind-the-scenes presidential pressure—elected a new, young and dynamic leadership, Ricardo Acufiro, 32, and Eduardo Orrego, 30.

Both are active proteges of Mr. Belaunde determined to develop an organization based on the presidential platform of moderation. The extreme left has been virtually isolated from the ruling councils of the party.

"The responsibility of government demands its own discipline," said Mr. Orrego during an interview. "And that responsibility must be developed at all levels of the party."

The APRA Party

A far more dangerous breeding ground for new Communist power is the trade union movement. It is the one sector where the Communist are acknowledged to have some organized power. It is also an area where President Belaunde has no power base.

The Communists and President Belaunde have a common interest in APRA—the American Popular Revolutionary Alliance. This mildly Marxist but violently anti-Communist party is still the largest political force in the country. It has the largest bloc of seats in the

Congress and an organization and discipline the Accion Popular and the Communists envy.

The main base for the APRA's power is the trade union movement. Through its control of the Confederation of Peruvian Workers, APRA, leads 400,000 of the 500,000 workers organized in Peru—not to mention some 500,000 peasants in a union associated with the central workers organization.

Although this organized labor is only a small proportion of the estimated 4.5 million-man Peruvian labor force, it represents a disciplined political force of great power. If the APRA hold on the trade union movement could be broken, APRA power in the country would also be broken.

Flirtation With Reds

The first sign of the budding romance between the government and the established Communist unions came in September, when the APRA-led Confederation of Peruvian Workers called a brief general strike.

Although the Confederation had specific grievances—among them the incompetence of the Belaunde minister of labor—the main aim was to show the government the power of organized labor. But at the last minute the Communist unions broke the strike through a sudden agreement with the government.

Since then, a rash of labor troubles has hit Peru—not all of them by any means directly connected with the struggle for labor power. October and November have become strike-time in Peru, mainly because annual labor contracts are up for renegotiation and the strike is the accepted mechanism for settlement.

The labor feud between Accion Popular and APRA has crippled a vital Alliance for Progress housing project which the Peruvian government desperately needs. The AFL-CIO is prepared to loan \$3 million, and the United States Agency for International Development another \$6 million, to provide low-cost credits to housing co-operatives for workers. The project would create an estimated 18,000 new jobs over three years.

Yet, the Minister of labor, Miguel Cussianovich Valderama, is opposing the project because two APRA trade union leaders would sit on the top loan-review committee for the project.

Not All Are Pessimistic

Competent observers here are not uniformly pessimistic about the Belaunde flirtation with the Communist union leaders. They note that the military junta which ruled Peru for a year in 1962-63 tried the same tactic initially but gave it up when the Communists sponsored a series of violent wildcat strikes. The junta ended up imprisoning a number of Communist agitators.

There is hope that Mr. Belaunde will discover that he is mistakenly treating APRA union leaders as devotees of the APRA political leadership.

Much disenchantment exists in trade union circles with Victor Raul Haya de la Torre—the APRA leader who seems to prefer living in Italy to Peru, and who is generally considered to have run two inept presidential campaigns here over the past year.

In the words of one United States expert — "Belaunde might find that he can catch more flies with honey than vinegar in the APRA trade unions."

The question is: Will he try, and what will the Communists do if he does?

The New Leader
October 28, 1963

HOW IT WORKS

Mexico's 'Parti Unique'

By Keith Botsford

AFTER THE experience of Fascist and Communist dictatorships, modern democracies have developed a horror of one-party systems. In a world where the majority of nations lives under some form of *parti unique*, they nevertheless insist on an approximate balance between government and "loyal" opposition, on free choice, and on separation of powers—as if these elements from their own systems, desirable though they may be, are alone capable of producing representative government.

Yet as I write, President Adolfo Lopez Mateos of Mexico, put into power by the *Partido Revolucionario Institucional* (PRI) and picked from its ranks by his predecessor, is about to name his own successor who will rule by, with and through the party for the next six years. Were the same statement made about Algeria's President Ahmed Ben Bella it would cause shrieks of pious outrage ("What? One man governs the succession, and one party insures it?"). Applied to Mexico, no one seems to mind.

The fact is, however, that what obtains in the case of Mexico also obtains where Cuba, Algeria, Ghana, or the Soviet Union are concerned, with the one difference

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that in Mexico the president *has* a successor (which in itself is not necessarily vital to internal democracy). The critical question, therefore, is: How does the PRI, which like the parties in these other countries derives from a revolution, maintain representative government and avoid totalitarianism?

Before that question can be answered in detail, it must be realized that the *parti unique* often is really more a front, an agglomeration of tendencies, than a monolithic structure. True, the single-party system usually involves a disciplined march toward a specific goal (the elaboration of a revolution in its recent past), and in this march many individual freedoms are lost. But the crucial points are whether the party offers democracy within its own ranks, whether it effectively reflects the tendencies of the nation or is merely a machine at the disposal of the power of a dictator.

Some of the criteria that might be used to distinguish the non-totalitarian from the totalitarian versions of the *parti unique* include the following:

- Freedom from the cult of personality (which is not always possible or desirable when the revolutionary "leader" may be the only unifying factor in a country previously without any political system at all).

- Responsiveness within the party to its lower echelons.

- Effective information reaching the higher party officials.

- Steady formation and promotion of competent cadres who give more than political service to the nation.

- Freedom of access to the party.

- Operation within a national "consensus," so that the forces behind the party greatly exceed those available to the opposition.

- Effective sub-structures—unions, farm groups, industrial associations, etc.—that operate as genuine pressure groups.

- Autochthonous growth, rather than imitated forms, which would favor action over theory, and imply flexibility rather than ideological rigor.

The matter of "choice," constantly raised against the one-party government, is surprisingly irrelevant in the political, historical and economic situations of most countries outside the Communist bloc living under single-party systems. For one thing, most of these parties came into being after a revolution which, ostensibly at least, expressed the popular will. For another, both the good and the evil that may result from the concentration of executive or party power is limited by the conditions existing in a particular country.

In Latin America, only two parties owe their existence to revolutions of authentic social and economic transformations: the Cuban *Partido Unido de la Revolución Socialista* (PURS) and the Mexican PRI. But that is where their similarity ends. The Cuban party is an evolving form; its revolution is not yet over, nor is its survival guaranteed. In contrast, no one really believes the Mexican Revolution will ever be reversed, and party leaders, in answer to accusations from a segment of the intelligentsia that they have sold out the Revolution, declare the PRI to be not merely a "successor" party to the Revolution but its final incarnation.

More fundamentally, there is a vast difference between Mexico and most other one-party countries in the extent to which ideology determines national policy. Ideology has, for example, dominated the internal and external policies of Cuba since soon after the Revolution—after, that is, the Cubans who led the Revolution and had no real ideology were dominated by Cuban Communist party elements who did. It has been responsible for most of Cuba's present difficulties because the Cuban leaders are profoundly ignorant of modern Marxist theory, and because rigid and newly converted Communists generally bring about a powerful contraction of the economy.

For a variety of reasons, Mexico's Revolution bore no more significant theoretical fruit than a wave of anti-clericalism that has now passed, and a vaguely communal form of property ownership; nor has economic planning ever gone beyond a realistic approach to current problems. Such ideology as the Mexican Revolution did bring is indigenous. Not being related to any global theory, it has no need to be dogmatic for external reasons. Similarly, it does not restrict freedom of action when action is necessary since its field of battle is exclusively Mexico. Perhaps for these

reasons, international pressure on Mexico (which means U.S. suspicions of Mexican policy—towards Castro, for instance) has focussed on specifics, and not on the PRI. Reaction to Cuba reveals the contrary: Intelligent critics have challenged its political structure, not its Revolution.

THE PRI has 25 years of practical work behind it, and experience counts for far more than a revolution become largely symbolic. Nonetheless, the Revolution still has its values in Mexico. It remains a unifying force; it also provides the broad outlines for the party's platform, a set of limits within which each six-year period has its tasks. (In reality, the PRI's "revolutionary" program is always a little ahead of the actual program and serves as a stalking-horse, or a sounding-board of public opinion.) In addition, the Revolution still provides restraints against excesses of private development, keeps alive such issues as land distribution and investment in the public sector and, finally, has already laid down the basic operating procedure of Mexican life: the labor laws, social welfare, secular education, the *ejido* (or community agrarian development), and the principle of no reelection for a second term to the Presidency.

As the Revolution recedes into a background of pieties (in the sense that to the generation now growing up it is a tale told by grandparents), the PRI has become something much different than the usual political organization. It is now closer to a government corporation dedicated to providing certain services and personnel as well as a link between the citizen and the state.

Part of the PRI's extraordinary power can be traced to its service as politicizer of that nine-tenths of the Mexican population that lies below the educated classes. It is through the party—in its Youth

Section, its Women's Section, its Agrarian or Industrial Sectors—that the masses encounter a world where values transcend the individual, their families and their immediate communities. It is through the party that each citizen meets the state and learns why water will not arrive this year, or why elections are important. And it is through the party that the State becomes aware of the needs, complaints and intentions of its citizens.

At the same time, it is the PRI that draws up this census of the state of the nation and taps its moods, just as it is within its ranks that the nation's new leaders are recruited and trained. It also provides the many sub-structures which—as the party itself parallels the government—parallel the unions, co-operatives, professional organizations and so on in multi-party countries.

This form of organization, divided and sub-divided *ad infinitum*, until it can truly be said that no Mexican has to remain without an official group to which he can belong, is the product of the post-revolutionary conditions that saw the foundation of the PRI in 1928. After the assassination of Alvaro Obregón, the revolutionary leader, it became evident that there was a need for a majority party that would both embody the Revolution and yet, through self-cancelling internal structures, would prevent a "struggle for power" among the *caudillos*.

To this day, the PRI continues to weaken all other political sectors by embracing the entire center of the political spectrum and allotting to each tendency within the party a definite sphere from which it can legitimately—though always within the majority—exert its pressure. In effect, it says to any opposition, "Why fight us? Join us and continue your struggle within the majority, for only the majority has effective power." This point was underlined in President Mateos'

message to Congress proposing changes in the electoral law: "The minority as well as the majority has a right to its opinion, to discussion and to vote; but only the majority has the right to decide."

Indeed, it is as though the PRI considered open political warfare both unnecessary and unseemly, the main virtues of politics unity and decorum, and anarchy the only alternative to stability and continuity. It will go to almost any lengths to keep its front intact, and its potential schismatics in the fold (a lesson that President Romulo Betancourt of Venezuela might learn with profit). The party's latitudinarianism begins with membership, which is open to all "who accept the

mechanism which determines the *juste milieu*. The extremes are like scouting parties on the Left and the Right, and the degree of support that either can muster from the uncommitted groups in the party or from "public opinion" determines the drift of PRI policy without committing the party beforehand to a course it might later regret. Likewise, the party will offer different sectors of activity to different pressure groups—the "Left" may be given foreign policy, which does not count for much in Mexico, the "Right" the various development ministries, from which it can profit. The majority in the center will usually be found in firm control of the ministries of the Interior and

19th century parties based on European or American models. The personnel comes from the same class that managed affairs in the last century, and usually you can spot a politico a mile off by the wave of his hair, the glint of his sun-glasses, or the self-satisfaction of his smile. The PRI politician is almost faceless, which is something like having the common touch. This is not put on; it is real and the party has always recruited personnel with a special image in mind—that of the man who is at once a leader and an integral part of what he governs.

The PRI official is likely to be deeply rooted in his local situation, to be more a product of his functions than vice-versa. He is not inventive and, though he knows all there is to know about his job, he is probably neither curious nor informed about anything beyond his immediate boundaries. He is, moreover, tied to the party by bonds of loyalty that are as much social and cultural as political: The party is his home and hearth, library and stock-in-trade; he is loyal, responsible and obedient; he fits; his identity is clear.

The Mexican Revolution brought into power a New Class which owes its existence and its strength to the Revolution. Only an infinitesimal minority of today's government or party personnel—for want of sophistication, background, education, means, etc.—could have held office in the pre-revolutionary society; yet the Revolution so rocked the old structure of society that the New Class actually corresponds to the vast majority of the Mexican population. And this "middleness" in the PRI is maintained with almost miraculous equilibrium.

As a system, however, the PRI's approach cannot be recommended unequivocally. While it undoubtedly increases the internal democracy of the party by allowing full participation, without prejudice, in the political process to any who are capable,



principles of the Mexican Revolution."

Absorption of possible opposition begins at the bottom, where the issues are likely to be local or personal, and can be resolved before discontent spreads. Higher up, a technique known as *responsabilizar* is applied: The opposition is given responsibility instead of being excluded; at the same time, it is watched, kept isolated and buried within a majority. Sincere opponents usually catch at the bait, since there is always a chance to exert influence inside the party.

The presence of so many divergent groups in one political organism gives rise to a curious inner

of War—of stability and continuity.

Similar acrobatics are performed with culture (for which the government is the only patron), with business (which can grow or fail to grow according to the government's good-will), with newspapers, radio and television (which the government more or less keeps on the payroll), and with nearly every other sphere of ostensibly "private" activity. Even the Communists are allowed to flourish, with the government's permission, which is in itself a proof of the PRI's solid majority support.

Most Latin American political parties are successors to

the method also decreases the amount of articulate expression available to the party and forces it to waste much time in coordinating ill-prepared provincialisms. When the denominator of a group is so common, it becomes difficult for the leadership to see the deeper problems involved in its daily activity; in the long run, it tends to limit politics to action and to keep thought at a distance.

Under present conditions in Mexico, where the problems are those of industrialization, poverty, education, and rural action, this is satisfactory. But when the general level of the society rises, will the party rise with it? As professional politicians—and, in the wider sense, as leaven to an unpolitical mass—the PRI personnel are first-rate; the question is whether they will be as effective as executors and instruments of a parallel government in a modern society.

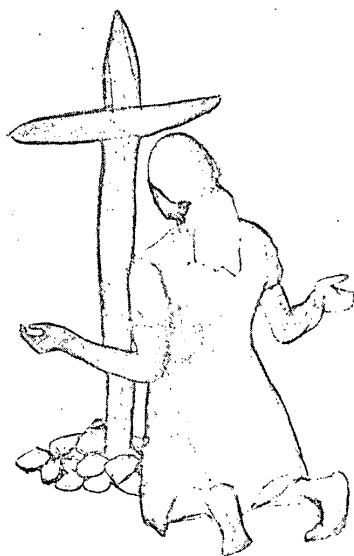
THIS BRINGS us right back to our point of departure: the use or abuse of authority in a *parti unique*. There are no real restraints on the power of the executive in Mexico, and the President probably wields more power than any other chief of state in the non-totalitarian world. Viewing the Mexican scene in the last year of a Presidential term (when a chief executive is usually attacked most, since he is about to lose his power), one cannot fail to be impressed with how deeply the power of the executive represents a tribute to Authority itself, quite apart from the man who exercises it.

Homages, cloying rhetoric, sycophantic tributes, the pomp of inaugurations—all these contribute to the idea of Presidential sanctity. One becomes aware that good, bad or indifferent, speculator, visionary or drudge, Leftist or Rightist, the President's fate can only be the addition of yet another hideous monument to the many piles of brick and mortar that already clut-

ter up the capital and every plaza in the country.

What is more, authority in Mexico, does not function in the public eye: There is no effective congress to represent the national will, no independent judiciary, no crusading reformer with access to the press, no organized opposition. Thus the decision-making process, in a country where everything and everyone depends on the executive, is essentially secret, what the Mexicans call *tapado*.

Why, then, is it not more substantially abused? (The widespread



graft I consider irrelevant; every country has its group that benefits from its power—industrialists, the army, technocrats and so on.) The answer is that just as the President acquires his unchallenged power from the people through the party, the people and the party are able to retain effective, though indirect, influence on the executive.

They are able to do this, first, because government in Mexico remains personal. It is business conducted among men who are without exception products of the same environment, and it is quite impos-

sible for any leader to isolate himself to any considerable extent from this calculated middle ground. Second, though the policy of the country is planned on top, it is defined from the bottom up. Finally, the chief executive is not only the head of the state, but also the head of the party.

In Mexico, power exists to be used; it is not an abstraction. Yet failure of the President would imply failure of the party. The President's relations to his party are such that the same organization that grants him his power—as the representative of its members, who are a vast majority in the country—sees to its proper use. The party accomplishes this in three ways: by its selection of personnel, by information, and by forcing the executive to think beyond his own period of office—which is why the party grants each outgoing President the most important decision of his term: choosing his successor.

The PRI does not conform to the traditional image of the *parti unique*, even though to all intents and purposes it is one, and one whose executive has almost unlimited powers: It has checks within itself against the abuse of executive office; it exists as a channel of power between citizens and the state as well as vice-versa; it provides accurate information for the determination of policy and, besides providing the human material for the state, educates its members for service. The party is, in addition, open to every kind of tendency within itself and clearly operates with solid public support, without the need of coercion or reprisal. Not the least important, it has evolved its own authentic solutions to the political reality of Mexico. For all those reasons, it might be wise to set aside our prejudices, study the PRI's functioning in detail, and see if it is not in something like Mexico's *parti unique* and the Revolution from which it grew that Latin America may find its future.