

Prospects for Change And Growth

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THESE DAYS EVERYONE apes the Communists. In Algeria the French army officers use Mao Tse Tung's writings as their text in studying how to carry on a "revolutionary" war. In the U.S. the leader of the John Birch Society states that he favors setting up front groups and infiltrating other groups just like the enemy he is fighting. These French officers and the worst of our John Birchers weren't *converted* by the Communists to anti-democratic ideas. But it is a sign of the insecurity that these forces feel in the changed world situation that they should take lessons from such a source.

This inferiority complex with regard to the Communists takes a somewhat different form among some liberals and radicals. They look at the figures for economic growth in Russia in recent years, or at other dictatorships forcing a rapid accumulation of capital, and conclude that only outside help can keep the underdeveloped world from evolving along these lines. Fundamentally, they accept the authoritarians' claim that backward countries can develop themselves in genuine independence only under a dictatorship.

In Latin America there is no question that the Castro revolution and the economic changes it has wrought were enormously attractive. But there is a big gap between sympathy for little Cuba and the transformation of the political life of Latin America along Castroite lines.

BEFORE WE BEMOAN THE instability and precariousness of democracy in Latin America, we should survey a more extensive fact than the existence of the Castro regime, i.e.—the sum total of political changes in Latin America in the past decade. This period has been marked by the overthrow of one dictatorship after another. Perhaps more important, in a number of countries genuine popular parties have arisen, participated in by large numbers of workers and peasants, so that it was not merely a matter of replacing a military dictator by a two party oligarchy, each representing a faction of big land and business interests.

Recall briefly the problems that have weighed upon the people of Latin America. Independence from Spain 150 years ago was the work of a section of the creole aristocracy plus some ambitious mestizos. It meant nothing to the mass of Indians on the land and in the mines. The big landowners, depending on cheap human labor, were uninterested in technological advance. The economy stagnated. Politics and especially the military were the vehicles available for power hungry members of the small middle class. The political issues that were raised in the struggles that wracked all the Latin American countries in the 19th century—federalism vs. centralism, clericals vs. anticlericals—had little real content, despite the sincerity with which some people raised them, because the struggles involved exclusively the small privileged classes and ended merely as convenient vehicles for the ambition of rival caudillos.



Into this backward semi-feudal society, cursed with military regimes, came foreign capital, at first British, but soon mainly American. This capital flowed primarily into the exploitation of raw materials—mineral or agricultural—to be extracted or grown for export. In addition to these fields the only really substantial investment was for a long time the railroads, necessary for effective development and marketing of the products of mines and fields. Much later utilities—gas, electric, telephone—became important.

Separated by gigantic natural barriers, as well as by the ambitions of their respective caudillos, the Latin American nations had almost no economic relations with each other. Each was tied economically primarily to its main trade outlet, the U. S. (or, in the case of Argentina, Britain). Not only was the development of the economy thereby confined to those fields most readily profitable for the foreign investor, but the big companies bought the support of the caudillos, so that the governments became their firm supporters and agents.

Another burden on the population was the usurious relation of European and American bankers to the Latin American governments. The dictators paid for their armies (and built up their deposits in Switzerland) with government bond issues that paid the ultimate investors 8 to 12% but cost the issuing government close to 20% because of the fantastic charges of the bankers that handled the issues. In South America these issues were sometimes defaulted, but closer to us, in the Caribbean, the U. S. occupied the Dominican Republic, Haiti and Nicaragua for twenty years, and took over the customs revenues in order to pay off the bond obligations. The investor took his "risk" and collected courtesy of the Marines. In Cuba, we refused to end our military occupation after the Spanish-American War for almost four years, until we obtained perpetual lease of Guantanamo, and

the Platt Amendment in the Cuban Constitution, allowing us to occupy the country whenever we decided order was endangered.

IN THE 20TH CENTURY the very slow urban and industrial growth that had taken place, the World War I boom, and the post-war beginnings of nationalist stirrings here as in Asia began the development of new political movements. We will see their coming of age after World War II, but only after Latin America's previous problems had been exacerbated by two new ones that have especially characterized the most recent period.

One is familiar enough by now—the population explosion. Western Europe and the U.S. had their first great population explosion after 1800. But in their case the fall of the death rate because of medical advance was accompanied by an enormous expansion of food growing areas, a great advance in agricultural productivity and a rapid rise of industry that had the whole world market at its feet. In Latin America today the rapid rise in population constitutes, instead, pressure on the existing cultivated land. There is land that can be settled, cleared, cultivated. But its location is such that investment is necessary to make settlement possible. Investment for settlement, investment for industrialization are needed not only to advance but just to hold per capita income even because of the rapidly rising population.

The other characteristic problem of the post-war period is the unfavorable change in terms of trade. Ever since the end of World War II raw materials prices have been falling while prices of manufactured products have risen. In January 1961, Dag Hammarskjöld's office issued a report showing that from 1950 to 1960, while Latin America was receiving \$1 billion in aid, it suffered a total loss of \$2 billion because of the shift in trade terms. Even during recessions the "administered prices" of American products like steel

hold their level or even rise, while raw material price levels plummet. American steel companies show a profit during a recession while operating at 50% capacity, but during the same recession a Latin American country may lose half its total yearly government revenue in a 3 month period because of falling prices of its exports.

CONSIDERING THE TERRIBLE conditions and staggering problems we have mentioned, the political advance of the past ten years bears witness to the strength and tenacity of the democratic revolutionary movements that have arisen. The best illustration is perhaps Bolivia. Here we have the lowest per capita income in Latin America, well under \$100 a year, 75% illiteracy, the highest T.B. and infant mortality rates in the world. Over half the population are Indian peasants, speaking their own Aymara tongue and ever since independence, they have remained practically chattels of the landowners.

In 125 years Bolivia had 60 successful revolutions (we mean here coups, not popular uprisings) and 100 lesser risings. In 1952 the Movimiento Nacionalista Revolucionario, supported by the tin miners, and by the workers and some sections of the middle class in the cities, overthrew the dictatorship. Since then there have been three general elections, each essentially free, although always with some scattered violence.

The MNR government has carried out the following major reforms:

1. The right to vote to the illiterate majority for the first time in the country's history.
2. Abolition of the old standing army. A new army was organized, with cadets selected from the sons of workers, peasants and middle class families only. Most of this army is employed in construction and colonization projects rather than on garrison duty. The new army does *not* replace the militia of the unions and of the peasant leagues.
3. A thoroughgoing land reform.

4. Nationalization of the large tin mining companies.

These represent a far more thorough change in the structure of society than has taken place anywhere in Latin America save Cuba, and on a far more democratic basis. The peasants are their own masters, and I mean in relation to the government, too. It is the militia that has saved the government when right wing coups have been attempted.

The U.S., evidently feeling that Bolivia was far enough away, that the mining companies were largely not American-owned and that we had no alternative anyway, recognized and aided the MNR regime. But U.S. aid has barely equalled Bolivia's losses from changes in trade terms. Further, Bolivia's tin production has declined, because the mines are old and deep and productivity per worker therefore steadily lower; not because the tin miners have been coddled by the government, as the American press would have it.

Actually income in Bolivia where it can be measured (i.e., outside the subsistence economy of the peasants) has stood still. This democratic government has lasted four times as long as the average Bolivian regime in the past not primarily because of aid but because it brought the Indians into political life as free men.

I emphasize Bolivia because democracy and social reform are maintaining themselves under the harshest circumstances. But look elsewhere. In the past five years the dictators Carias of Honduras, Peron of Argentina, Odria of Peru, Rojas Pinilla of Colombia and Perez Jimenez of Venezuela have gone. The overthrow of Perez Jimenez was the most striking because it was sparked not by action inside the military, or by the descent of a band of heroes from the Andes, but by a general strike of the entire population, organized by the clandestine parties. Accion Democratica, the majority party in the country, has achieved some major reforms. It has been too cau-

tious, and it has its Tammany patronage aspect, but it is also a living movement in which the bulk of organized workers and peasants participate. The Apristas of Peru and the National Liberation Party of Costa Rica are similar examples of genuine mass popular parties. These movements are not fly-by-night products of the winds blowing in the world. They were built over a period of decades. APRA survived thirty years of illegal activity.

OF COURSE, FOREIGN AID of the right type can greatly assist the popular movements of Latin America. Without foreign aid investment must be at the expense of the inadequate current consumption levels. But this can be achieved where the mass of people feel that the government is theirs and that they have effectively freed themselves from feudal and semi-colonial status.

Unfortunately the Kennedy aid program is, in fact, inadequately surrounded with guarantees as to its ultimate use, and to some extent positively harmful. The latter characterization applies to the \$75,000,000 in military aid for "internal security purposes." No Latin American government that is responsive to the most elementary needs of the workers and peasants needs to worry about the totalitarians of the left. Military aid can only strengthen the professional officer caste that spawns caudillos. The biggest brake on the reforms of the Venezuela government is its fear of the army. The revolution in Venezuela was able to force democratic elections, but it wasn't able to abolish or purge the army, which stands as a constant threat against revolutionary social and economic change.

As to guarantees, a proposal was made to limit to 8% the interest that any Latin American government can charge on projects like low cost housing, farm loans, etc., if it wishes to get matching funds for these projects through the "Alliance for Progress."

This proposal was withdrawn in committee. We are free to imagine to what extent anyone can actually be helped by this program if charges as crushing as 8% may actually be exceeded!

On the other hand certain aspects of the Administration's program are praiseworthy. If, as seems to be the case, large amounts of surplus food are to go directly to people like the starving farm laborers of Northeastern Brazil, this is all to the good. Far from appeasing these laborers, a full stomach will probably greatly increase their capacity for organization and action.

Another promising action was our recent loan to the Bolivian government oil corporation. This is the first time that the U.S. has extended aid to a government oil company. It doesn't indicate that the administration is encouraging nationalized industry, but merely that it is not entirely out of touch with reality (a rash statement on my part so soon after the CIA invasion of Cuba). It realizes that new oil concessions to private companies in Bolivia simply can't and won't be obtained. It makes a loan for public investment because nothing else is possible. New foreign private investment in Latin America is steadily diminishing because it obviously isn't safe any longer (no matter how many ads Betancourt puts in the *New York Times*), and cannot compare in possibilities for profit with the fabulous rate of growth of the big corporations in their activities in the U.S. itself and in the countries of Western Europe and the British Commonwealth.

But this only fortifies the point that the only sure way for the masses of Latin America to get help is by helping themselves. Only the development of the political and economic power of their own movements can place the U.S. in a situation where aid on a progressive basis becomes the only kind possible. And only such development can provide a viable basis for democracy where such aid is withheld.

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Notes On Marx's Conception of Democracy

MARXISM AS A POLITICAL CONCEPT and an ideological current, often has antedated factual knowledge of Marx's doctrines. Thus at a time when one-third of the world is living under "Marxist" systems, there is still no complete, scholarly edition of Marx's works available. Some of the difficulties faced by Marx scholarship today center around the publication of documents in closed collections: the unpublished materials at Amsterdam and Moscow; the suspension of the *Marx-Engels-Gesamtausgabe* (MEGA) in Moscow in 1935.

Many "Marxist" concepts have been originated and propagated by others, in the absence of a Marx-dictum or in ignorance of his true position. Thus "dialectical materialism" was an invention of Plekhanov; the term "historical materialism" derives from Engels, and the entire concept is based on a few passages in the Introduction to the *Critique of Political Economy of 1859*.

Considering the contrast between the actual writings of Marx and their fate in succeeding decades, one can say that there exists today a myth of Marx and a mythology of "Marxism." This myth or mythology can be shaped to various purposes, although with the same effect: to exploit politically the paradoxical and sometimes sensational character of certain of Marx's ideas. As an illustration of this fact, let us quote two judgments on Marx's political teachings as expressed by two American scholars. The first: "The theory and practice of communism, and this is true not only in the Soviet Union, but in every country in which communists have come to power, cannot in essential respects be identified with some of the central doctrines, right, wrong, or confused, of Marxism."¹ The second: "Here . . . is a philosophy of liberation and freedom that in our day has given fruit in two of the most despotic and bureaucratic states history has seen."²

¹ Sidney HOOK: *Historical Determination and Political Fiat in Soviet Communism*, in "Proceedings of the American Philosophical Society," Philadelphia, 1955 (vol. 99, No. 1, p. 5).

² Adam B. ULAM: *The Unfinished Revolution*, New York, 1960, p. 3.