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BRAZILIAN "INTERDEPENDENCE" AND IMPERIALIST INTEGRATION

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Behind the Curtain of Silence KEITH BUCHANAN

BRAZILIAN "INTERDEPENDENCE" AND IMPERIALIST INTEGRATION

BY RUY MAURO MARINI

The state of inter-American relations since the United States and Brazil intervened in the Dominican Republic carries the threat of military domination of the entire continent. In 1961 this situation seemed improbable, and the United States was in no position to impose it, not even daring to give open support to an invasion of Cuba. In those days, the Brazilian position opposing intervention in the internal affairs of other countries had a decisive influence. And the present policies of the Brazilian military government play a similarly important role in the change which has taken place in inter-American relations.

Nevertheless, it would be incorrect to regard the new Brazilian policy as the only factor determining the inter-American situation, just as this situation cannot be taken as the simple result of the position of the United States Department of State. More exactly, both are explained by the internal and hemispheric changes which have occurred in the North American economy, and by the related changes in the Brazilian economy and its present position vis-à-vis the United States. This inter-relation, which is part of the imperialist process of integration, must be analyzed in order to estimate correctly the present-day perspectives for inter-American policy.

Imperialist Integration

The process of capitalist accumulation in the North American economy and the accompanying growth of monopoly result in the ever-increasing concentration of ever-increasing wealth. If all the surplus thus obtained were invested in productive activities, crises perhaps even more violent than that of 1929

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would be inevitable. Post-war anti-inflationary policy in the United States has slowed down the rate of economic growth and limited the amount of surplus, without succeeding, however, in preventing it from growing beyond the possibilities for its absorption in productive investment. As a consequence, ever larger amounts have flowed into unproductive investment, principally in the arms industry and in sales promotion. The remainder which has not been absorbed in this way rushes out to the foreign market, making the export of capital one of the most characteristic features of contemporary capitalism.*

This capital naturally goes to the most profitable regions and sectors, and the return flow of profits further increases the amount of surplus, which in turn impels new foreign investments, thus recommencing the cycle on a higher level. In this way, the North American economic frontiers are continuously extended, the amalgamation of interests in the affected countries intensifies, and it becomes more and more necessary for the government in Washington to extend beyond its territorial limits the protection it provides for its nationals.

The most renowned Marxist theorist of the beginning of this century, Karl Kautsky, influenced by the revisionism of Bernstein and impressed by the process of monopoly concentration then under way, formulated his theory of "super-imperialism"; alongside the progressive concentration of capital in a gigantic world trust, one could expect a corresponding political centralization and a necessary and peaceful transition to socialism. Lenin, in his 1915 preface to Bukharin's *World Economy and Imperialism*, opposed Kautsky's theory, although without denying the integrationist tendency of world capitalism. What will happen, he warned, is that such a tendency will develop amidst contradictions and conflicts, thus giving impetus to the opposite tendency before reaching its culmination. The war of 1914 and the Russian Revolution, the Second World War and the phenomena which it engendered (the development of the socialist bloc and the movements of national liberation) proved Lenin to be right.

*See Paul Baran, "Crisis of Marxism?," MONTHLY REVIEW, October, 1958.

However, it remains true that the expansion of world capitalism and the intensification of the monopolistic process continued to strengthen the integrationist tendency, as is clearly expressed today in the intensification of the export of capital. Another German Marxist, Ernst Talheimer, observing this during the 1920's, formulated his theory of *antagonistic cooperation*. At a time when North American domination seemed insuperable, Talheimer perceived that the very process of integration or cooperation would develop its internal contradictions. This was true above all with regard to the other industrialized countries which, as a result of the influx of North American investments, became in their turn centers of the export of capital and simultaneously extended their economic frontiers within the world-wide process of imperialist integration. The tensions which arise among these various integrationist centers cannot today, as they did in the past, reach open hostilities, and must remain within the framework of antagonistic cooperation. However, they have the effect of obstructing the process of integration, and they open fissures in the structure of the imperialist world, strongly favoring the forces bent on destroying the very bases of that structure: revolutionary movements in the underdeveloped countries.

Integration and Underdevelopment

It is not only at the level of relations among industrialized nations that the process of imperialist integration produces its own negation. This occurs also at the level of relations between the industrialized countries and the colonized peoples, and it is doubtless here that the determining factor leading to its self-defeat can be found. The export of capital to those nations in fact stimulates the development of their industrial sector, thus contributing to the creation of new situations of conflict, both internal and external, and furthering a crisis which alters the very conditions in which that industrialization develops.

Internally, industrialization in a backward nation is characterized by the sharpening of various types of social contradictions: those between the industrial and the latifundist-exporting groups; those between industry and domestic agriculture; those between the big landowners and the peasantry; and those be-

tween management and the working class, as well as the petty bourgeoisie. Thus, economic diversification is accompanied by increasing complexity and growing conflict. Not even foreign capital invested in the economy can escape these contradictions and present itself as a united bloc: the companies which invest in production for export (Anderson Clayton, United Fruit) do not have exactly the same interests as those which invest in industrial or agricultural production for the domestic market (automotive industry, household electrical appliances, canning industry); and they will react differently, for example, to a project of agrarian reform which would broaden the domestic market and create better work and wage conditions in the countryside.

The process of social diversification which results from industrialization is not necessarily synchronized with the rhythm of imperialist integration; this leads to the sharpening of the antagonism between the underdeveloped economy and the dominant economy. It can happen (as in Brazil, for example, between 1930 and 1950) that the national industrial sector grows more rapidly than the process of "denationalization" resulting from foreign investments. In addition to the disputes which arise in such a case between the two sectors in their struggle for the domestic market, their relations will worsen: on reaching a given level of industrialization, the growing need for capital imports will clash with the pressures from the foreign sector to export its profits.

The situation tends to become further aggravated because the reduction of the economic life span of fixed capital in the advanced economies, resulting from the incredibly rapid rate of technological innovation,* creates an urgent need to export their obsolete equipment to nations in the process of industrializing. However, the shortage of foreign exchange caused by the commercial and financial practices of these nations hampers their capacity to import. The contradiction can be overcome only by the introduction of such equipment into the underdeveloped countries in the form of the direct investment of capital. The

*See Ernest Mandel, "The Economics of Neo-Capitalism," in *The Socialist Register 1964*, Monthly Review Press, New York, 1964.

consequence is the acceleration of the denationalization process, hence of integration, and a growing divergency between the technology of the industrializing nations and the employment needs of an exploding population. The manner in which they seek to overcome the foreign exchange bottleneck, since it creates labor problems, results in the sharpening of the internal social tensions, a most important factor in stimulating movements of national liberation.

The antagonistic cooperation between the bourgeoisie of the underdeveloped countries and imperialism is thus carried to the critical point where cooperation breaks down and a rift occurs. This is what happened in Brazil, and examining the mechanisms of that crisis as well as its consequences is a worthwhile effort.

Autonomous Capitalist Development?

The crisis in Brazil's export system, going back to the 1930's and clearly visible by the end of the Korean war, sharpened the contradictions of Brazilian society, showing the impossibility of continuing industrial development within the semi-colonial framework which existed until then. That impossibility has its roots in two structural limitations. The first is the crisis of foreign commerce, where there is a constant tendency for export prices to fall. This is accompanied by an incapacity on the part of the principal buying market (the United States) to absorb the increasing quantities of these products which the Brazilian economy must export in order to pay for the imports necessary for its industrialization. The second limitation is the system of landholding which strangles the supply of foodstuffs and raw materials required by industry and by population growth and urbanization. In addition to stimulating a rise of prices (which in turn stimulates popular protest movements), this system concentrates agricultural income in the hands of a small minority and hinders the expansion of the internal market for industrial products.*

Following the grave political crisis of 1954, which was brought on by that situation and was terminated by the suicide

*See my article "Contradicciones y conflictos en el Brasil contemporáneo," in *Foro Internacional*, No. 4, Mexico, 1964.

of President Vargas, the governments of Café Filho and Juscelino Kubitschek (products of a compromise among the conflicting dominant classes) attempted to find a formula which would allow them to survive the economic crisis without leading to a showdown between the opposing factions. The method chosen was to open the Brazilian economy to North American capital, for the purpose of easing the difficulties of the exchange sector. *Instrucción 113* issued by the Superintendency for Currency and Credit, now called the Banco Central, created the juridical framework for that policy, which reached its height with the *Plano de Metas* or Targets Plan of the Kubitschek government. In five years, about \$2.5 billion in investments and credits were brought in, and once again industrial expansion got under way.

That expansion, however, began to show signs of exhaustion around 1960, as a result of falling prices and export volume and of the heavy exportation of profits, all of which plunged the country into a grave financial crisis. This was heightened also by the inflationary process, a symptom of the struggle which the industrial and banking bourgeoisie was waging against the rural-entrepreneurial groups, as well as against the wage-earning classes. It must be remembered that Brazilian industrial expansion, based on the intensification of foreign investments and coinciding with the massive introduction of new technology, resulted in a perceptible rise in labor productivity and in the productive capacity of industry, and also in a corresponding increase in unemployment. Thus between 1950 and 1960, beside a population increase of 3.2 percent annually, an urban population increase of almost 6 percent annually, and industrial production increase of 9 percent annually, industrial employment showed an annual increment of no more than 2.8 percent.*

Once the palliative effects of the policy encouraging capital imports had ceased, the structural crisis in the Brazilian economy erupted into a true economic crisis, dragging the country into a

*Data cited by Celso Furtado, *Dialéctica del desarrollo*, Fondo del Cultura Económica, Mexico, 1965; pp. 18-19. Furtado does not hesitate, in an exaggerated simplification, to consider the unevenness between the rates of demographic urban growth and the rates of the creation of jobs in industry as the determining factor in the Brazilian political crisis in the last years.

depression. In such a situation, it was inevitable that the social contradictions which had been evident in the years 1953-1954 should once again present themselves with much more force, above all those contradictions which moved the working and middle classes in the cities to fight for improvement in their living standard. Influenced by these groups and aware of the impossibility of maintaining industrial expansion within the narrow framework imposed by the latifundist-export sector and the groups of foreign monopolists, the bourgeoisie attempted to interrupt the cycle, breaking its agreement with those forces and imposing its own class policy. The governments of Janio Quadros in 1961 and—once parliamentary indecision was overcome in 1962—of Joao Goulart in 1963-1964, expressed this attempt.

Independent foreign policy and structural reforms were the directions in which these two governments moved, succeeding thereby in doubling the resistance of the dominant allied sectors. The first government attempted to create a degree of freedom in the international field in order to allow Brazil to diversify its markets for primary products and to supplement its credits, principally in the socialist bloc, and to open the way for the export of industrial products largely to Africa and Latin America. At the same time, the government aimed at reform of the agrarian structure in order to open new markets for domestic commerce and to increase the internal supply of raw materials and food products. These two policies came into conflict with the interests of the latifundist sector and of the monopolist exporting groups, for the most part North American. The adoption of measures which restricted national financing of foreign-owned enterprises and the remittance of profits abroad, as well as the outline of a policy of nationalization, generalized the conflict to all foreign sectors in the economy and made relations between the Brazilian and North American governments very tense.

For such a policy to be effective, the bourgeoisie needed the support of the politically decisive urban population. But, struggling with a financial crisis which reduced the rate of profits, the government paradoxically had to oppose the masses, and was forced to resist their wage demands. The attempt to apply deflationary policies in 1961 under Quadros and in 1963 under

Goulart (Three Year Plan, 1963-1965) encountered vigorous popular resistance; and the bourgeoisie, for political reasons, could not impose these measures by force. Entrusting to Goulart the task of containing the demands of the masses, the bourgeoisie tried to exploit the inflationary process for its own benefit, with the purpose of sustaining its margin of profits, all of which succeeded in speeding up the whole process. The workers' demands were radicalized through strikes growing in frequency and scope, and the middle class panicked before the concrete threat of the proletariat.

The agitation provoked by the threat of agrarian reform, and the resistance of the foreign industrial sector to nationalization measures, limited bourgeois support of Goulart more and more. When the anti-government campaign was intensified, on the pretext of fighting communist subversion, the middle class, disoriented by the economic crisis, was divided, joining the ranks of reaction in larger and larger numbers. Impressed by the cry of anti-communism and by the radicalization of the masses, and feeling that, with the failure of the Three Year Plan, Goulart no longer offered guarantees against a popular uprising, the bourgeoisie began to retreat. When the agitation reached the military sector, with the March 1964 rebellion of the sailors, it became clear that the government's authority was shaky. In an audacious move, the military group took over, without firing a shot.

Integrated Development

The conflicts brought on by industrialization within the framework of an imperialist system led Brazilian society to choose a solution by force, thus sealing the existing antagonism between the bourgeoisie and the working class. At the same time, the use of force marked the definitive adherence of the Brazilian bourgeoisie to the policy of imperialist integration. Using repression by the military and police to stifle popular movements, and coercion to keep refractory middle-class groups in line, the new regime created the right climate to carry out this policy without the inconvenience of an opposition.

It is in this perspective that we must understand the "Program of Economic Action" which was worked out by the ex-

Ambassador to Washington and present Minister of the Plan, Roberto Campos, and adopted by the government of Castelo Branco for the years 1965-1966. Its objective is twofold: to halt and reverse the decline in the growth of gross national product, aiming at a growth rate of 6 percent in the two years under consideration, and to arrest the general rise of prices, reducing the rate of increase from the level of 92.4 percent in 1964, to 25 percent in 1965, and 10 percent in 1966. The Program also proposes to reach "secondary objectives," among them to bring the balance of payments into equilibrium, to redistribute income (functionally and regionally), and also to "democratize" capital. In addition to the classical instruments of economic policy—tax, wage, and credit policies, tariff manipulations, control of government expenditures—the government's action is based on certain structural measures, principally agrarian reform and the reorganization of the internal capital market.

From the point of view of our analysis, the most important aspect is the attitude of the Brazilian government toward foreign capital. In a study published last March, the National Confederation of Industry (CNI) considered that the Program of Economic Action is distinguished from the previous programs "by the strategic part which foreign capital plays and by the high hopes with regard to its profits." After recalling that the Program anticipates an actual decline in the national rate of saving, the CNI statement underlines: "The diminution of the national rate of saving . . . will leave private domestic investment much diminished, constituting about one half of the foreseen influx of foreign capital."

Other government policies work in the same direction. According to the CNI itself, lending agencies reduced their activity sharply in 1964, increasing private credit by 84.2 percent and government credit by little more than 50 percent, in face of a rate of inflation greater than the 92 percent of the previous year. At the same time that national credit is tightened, the government, in its Program of Action, proposes to "offer private domestic investors access to foreign credit on the same conditions as the foreign enterprises operating in the country,"

through guarantees by Brazilian financial organs or by participation of government funds in which foreign capital shares. Proceeding in this manner, the alliance of the national bourgeoisie with foreign capital, an alliance which began with the *Instrução 113* in 1955, is solidified.

Meanwhile, industry is obliged to seek to reduce its costs of production through technological renovation which then tends to reduce employment. It is natural that the alliance with foreign groups, which always have machinery to dispose of because of the more rapid rate of renovation in their own countries, is the easiest way of promoting this technological renovation. And if this method fails and bankruptcy results, the effect is to facilitate even more the concentration of Brazilian capital in the hands of foreign groups, the only strong sector of the economy during this period of depression. The recent example of the bankruptcy of one of the largest metallurgical industries of the country, the Companhia de Mineração Geral of the powerful Jaffet group, and its purchase by a consortium formed by Bethlehem Steel, the Chase Manhattan Bank, and Standard Oil, illustrates this case well.

The Doctrine of Interdependence

This economic policy has its counterpart in the foreign policy of the Brazilian military regime, very different from the so-called "independent foreign policy" of the Quadros and Goulart governments, which was based on the principles of self-determination and non-intervention. Immediately after the 1964 coup, when he assumed the direction of the Ministry of Foreign Relations, the present Chancellor Vasco Leitaó da Cunha rejected the idea of an independent foreign policy, invoking geopolitical reasons and asserting the desirability of having Brazil tightly bound to the Western world, particularly to the United States; he declared that the basic concept of Brazilian policy is that of *continental interdependence*. Thus, he adopted a doctrine which originated in the Escola Superior de Guerra headed by General Golberri do Couto e Silva, graduate of the United States training school at Fort Benning, Georgia, and chief of the National Information Service (SNI), an organiza-

tion which, with its two thousand agents spread across the continent, was already being compared to a miniature CIA.

This doctrine, called the doctrine of the *barganha leal* or loyal bargain, was expounded by Do Couto e Silva in his book *Aspectos geopolíticos do Brasil* published in 1957, and was part of the theory that, because of its geographic position, Brazil cannot escape North American influence. In such a situation, he said, no alternative remains but to "consciously accept the mission of associating ourselves with the policy of the United States in the South Atlantic." The counterpart of this "conscious choice" would be the recognition by the United States that "the quasi-monopoly of rule in that area should be exercised by Brazil exclusively." The expression "quasi-monopoly" results from the impossibility of denying the designs which the Argentine bourgeoisie is also harboring in this sphere.

Two official pronouncements this year marked the adoption of this doctrine: the declaration which Chancellor Leitao da Cunha made on the 19th of May, in Rio de Janeiro, when he greeted his Ecuadorean colleague Gonsalo Escudero, and the speech which Marshal Castelo Branco made several days later in the city of Teresina (state of Piauí).

Greeting the Ecuadorean Chancellor, Leitao da Cunha alluded to "a concept inherent in the nature of the inter-American alliance, that of the interdependence of all the nations of the hemisphere in questions of international policy." "The rigid, orthodox conception of national sovereignty," he emphasized, "was formulated in an epoch when the nations did not consider the obligation to cooperate among themselves in the search for common goals as part of their responsibilities." The Brazilian Chancellor even praised "the support of the multilateral apparatus in the defense of the most American of political institutions: representative democracy." And he elaborated: "Few will doubt that the mechanisms established in the Charter of the Organization of American States against open aggression or attacks, are entirely inadequate in the new situation generated by the subversion which transcends national boundaries."

Speaking to the same point in his speech of May 28, Marshal Castelo Branco referred to the Dominican crisis as an

act of internal aggression against the continent. After proclaiming the necessity for replacing the concept of physical or geographical frontiers with that of *ideological frontiers*, the President-Marshal declared that, in accordance with the present Brazilian conception of national security, this is not limited to the physical frontiers of Brazil, but extends to the ideological frontiers of the Western world.

In line with this kind of thinking is the discussion of possible military intervention in Uruguay and Bolivia, as well as the determined support by the Brazilian government of the intervention of the United States in Santo Domingo. The applause from Brasilia for the North American decision to channel part of its military aid for Latin America through the OAS is also a consequence of that position, and is joined to the demand that the so-called "additional protocol" be reactivated, linking military to economic aid. Another consequence is the thesis of the military integration of the continent, giving shape to Brazilian insistence on the creation of a permanent inter-American army. This position is linked with the "silent pact" of joint action which the Ministers of War of Argentina and Brazil concluded last August in Rio de Janeiro.

For many, what is involved is simply a return to the Brazilian policy of submission to Washington (which was the rule in the period preceding Quadros), and the definitive conversion of Brazil into a colony of the United States. This is not correct. What we have, in reality, is the evolution of the Brazilian bourgeoisie toward the conscious acceptance of its integration with North American imperialism, an evolution resulting from the very logic of the economic and political dynamics of Brazil, and having grave consequences for Latin America.

Latin American Integration

In its internal and foreign policy, the Brazilian military government has taken hardly any steps to accelerate the integration of the Brazilian into the North American economy: rather, it has expressed the intention of becoming the center from which imperialist expansion in Latin America will radiate. In this, the present Brazilian foreign policy distinguishes itself from that of the past, as well as from that which is today fol-

lowed in countries like Venezuela, Peru, Panama, and Guatemala. It is not a question of passively accepting North American power (although the actual correlation of forces often leads to that result), but rather of collaborating actively with imperialist expansion, assuming in this expansion the position of a key nation.

This aim is not derived solely from a desire for political leadership on the part of Brazil, but is due principally to the economic problems which the Brazilian bourgeoisie faces as a consequence of its option in favor of integrated development. The full re-establishment of its alliance with the ancient oligarchical exporting classes, sealed by the coup of 1964, left the bourgeoisie incapable of breaking the limitations which the agrarian structure imposes on the Brazilian domestic market. Even the project for agrarian reform adopted by the Castelo Branco government allows no other method of altering this structure than by the progressive long-term extension of capitalism to the countryside. But it should be noted that the present economic recession hinders the investment of capital in the countryside, and the narrow political base of the government does not allow it to ignore the support of the latifundists; both of these factors constitute an effective obstacle to the carrying out of agrarian reform.

On the other hand, by choosing to become integrated with imperialism and by placing its hopes for reactivating economic expansion on the influx of foreign capital, the Brazilian bourgeoisie has in effect agreed to intensify the process of industrial, technological modernization. This works in the interests of United States industry which finds it advantageous to build an integrated industrial establishment abroad, in order to dispose of the equipment which rapid technological evolution renders obsolete.* But the bourgeoisie must accept the consequences: in a country of rapid population growth, where a million men are

*Speaking in the Congress of the United States on the economic integration of Latin America, the Assistant Secretary of State for Inter-American Affairs, Jack H. Vaughn, recognized that the resulting industrialization will cause the traditional markets for certain North American products to disappear, and he further underlined: "Likewise, Latin America will offer a more promising market for the more sophisticated products of North American industry." (*El Dia*, Mexico, September 11, 1965.)

thrown into the job market each year, the installation of a relatively modern industry creates grave labor problems, principally unemployment.

Thus, because of its policy of reinforcing its alliance with the latifundists, and its policy of integration with imperialism, the Brazilian bourgeoisie cannot count on sufficient growth in the domestic market to absorb the increase in production resulting from technological modernization. There remains no alternative but to attempt foreign expansion, and it therefore becomes necessary to guarantee foreign markets for its products. The low production costs which the present wage policy and industrial modernization tend to create, point in the same direction: export. This explains the recent move of the Castelo Branco regime in favor of creating a Latin American Common Market under the aegis of Brazil.

This is not a new idea. The independent foreign policy of Quadros and Goulart also sought conditions favorable to an expansion of Brazilian commerce in Africa and Latin America. The difference is in the fact that then Brazil took on the position of "free lancer" in the world market, trusting that, through internal structural reform, the limitations to the growth of a domestic Brazilian market would not be long in disappearing. Export thus seemed a provisional solution, tending to furnish the bourgeois policy of reform with enough room to grow. At present, on the contrary, the bourgeoisie is concerned with counteracting the inadequacy of the domestic market through the extensive incorporation of already existing markets, as for example that of Uruguay. Export thus ceases to be a provisional solution, aiding and abetting reformist policies, and is converted into the alternative to these same structural reforms.

There still remains one question: How far will an industry without sufficient markets drive Brazil, in the short run, to expand its armaments production? To date, this is not clear. In any case, in view of the government's need for an armaments industry capable of sustaining its expansionist policy, such a development may well be feared. This fear is further justified by the great share of the 1964-1965 federal budget allotted to the military, as well as by the recent contract signed in Washington

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by the Brazilian Minister of the Navy for a program of warship construction in Brazilian shipyards.*

What is forecast, then, is an imperialist expansion on the part of Brazil in Latin America, which amounts to the creation of a sub-imperialism or to the extension of North American imperialism. It is in the perspective of this economic and military integration of Latin America, initiated by North American imperialism and supported by Brazil, that we must consider the subsequent evolution of inter-American policy. But it is also from this point of view that we shall have to estimate the prospects of the revolutionary process in Brazil, and, in the last analysis, in Latin America.

Conclusion

The first conclusion from the foregoing is that imperialist integration of Latin America, in the phase initiated by the Brazilian military coup, will be unable to function except in the framework of antagonistic cooperation. The antagonism will be more accentuated where the national bourgeoisie is powerful, as in Argentina and Brazil,** but cooperation or collaboration will be more and more the rule governing the relations of these bourgeoisies among themselves and with the United States. The power of North American and Brazilian influence will necessitate this cooperation. But more than anything else, collaboration will be necessary to the dominant classes of the hemisphere in order

*This article was already written when *Prensa Latina* published passages from an interview with the President of the Latin American Confederation of Christian Trade Unionists, Emilio Maspero, in the Chilean magazine *Ercilla*. In this interview Maspero denounces the formation of a powerful North American industrial-military complex in Brazil. He declared that the plan "includes the investment of North American funds to install factories for heavy armaments, equipment and special foods for the troops," and that in Rio de Janeiro "it is rumored that the food industry has already made an agreement to produce on Brazilian soil the concentrates used by North American troops in the field, as the first step in an industrial-military integration which would reach, in the future, the production of vital parts for nuclear submarines." (*Prensa Latina*, Mexico, September 10, 1965.)

**This is indicated already in the protest voiced by the Argentine newspaper *Clarín* (August 11, 1965) against a declaration by Senator Fulbright supporting a Latin American Common Market directed by Brazil. This, according to *Clarín*, is a resurrection of "the old strategy of the key country."

to block the revolutionary rising of the masses, itself speeded by the growth of imperialist integration.

In this particular, the Brazilian case is typical. The military coup of 1964—marking the bourgeoisie's rupture with the policy which it practiced since its accession to power (that is to say, since the revolution of 1930)—opens a new phase in the process of class struggle. Although many social sectors, principally the middle class, may seek to re-establish between the bourgeoisie and the masses the kind of political dialogue which existed before 1964, class relations are presently characterized by a schism, on one side of which is the dominant alliance (the bourgeoisie, the foreign entrepreneurs, and the large land-owners), and on the other the rural and urban working class. The petty bourgeoisie suffers the effect of the schism contradictorily, taking positions which go from radicalism on the extreme Left to neo-fascism on the extreme Right, and including the conciliatory attempts of a center group which responds to the cry of "re-democratization" raised by the Brazilian Communist Party.

It is inevitable that the schism in Brazilian class relations will lead sooner or later to open civil war. It could be argued that imperialist integration could lead, in the long run, to greater economic prosperity, eliminating the revolutionary factors which today agitate Brazilian life. This is indeed a possibility. However, its realization would depend on whether the integration is accomplished before the process of class struggle is irreparably worsened. And this is what seems highly improbable.

In fact, imperialist expansion on the part of the Brazilian bourgeoisie has to base itself on a greater exploitation of the national working masses. This is because of the need to maintain production on an internationally competitive level, a need which necessitates low wages and readily available manpower, that is to say a high rate of unemployment. A further reason is the fact that greater exploitation develops simultaneously with an increase in the penetration of North American capital, thus necessitating the extraction of a super-profit from the working class. This intensification of capitalist exploitation of the Bra-

zilian people is cause enough to exacerbate the class struggle and endanger the position of the bourgeoisie.

The precise moment in which this will happen does not depend so much on the intensification of capitalist exploitation as on the time needed by the Brazilian masses to learn the lesson of 1964, and on the capacity of the Left to guide them in that process of maturation. In Guatemala, which ten years ago had a similar experience, much time and many failures were necessary before the beginning of what seems to be the decisive phase of the civil war. In Brazil, the revolutionary immaturity of the forces on the Left is a factor capable of delaying that moment, and perhaps even favoring the neo-fascist adventures of the Right. However, we must reckon with the rapid rhythm which the revolutionary process in Latin America is today assuming, and with the repercussions of Brazilian imperialist expansion, which may accelerate considerably the reorganization of the Brazilian Left.

This is, without a doubt, a fundamental point. That is to say, we must not consider the case of Brazil as isolated, but rather take into account the global repercussions of imperialist integration. The inability of the majority of South American countries to meet the competition of Brazilian industrial production will increase the misery of their peoples, at the same time submitting them to the humiliation of a new imperialism—aggressive and overpowering, like all imperialisms, but more so in this case—which they will not long be able to bear. In their struggle against Brazilian imperialist expansion, these people will not be long in joining the resistance of the mass of Brazilian workers and peasants.

An important consequence of the military coup of 1964 is the end of the feeling of singularity and exclusivism in relation to the rest of Latin America, with which the Brazilian people were accustomed to see their political process. Of all the great events which have come to pass in the continent, only the Cuban Revolution, because of its exceptional importance, broke through the barrier which had been created around the Brazilian people. With the 1964 coup, that situation changed abruptly, thanks above all to the pro-United States position of the military government. At once, the great majority of Brazilians concluded that

they had been mistaken about the possibilities of their country, and that Brazil would now continue being a United States colony, of the same order as Panama, for example, or Puerto Rico. To the extent to which they realize the true nature of present relations between the dominant classes in Brazil and United States imperialism (clearly very different from those maintained with Panama or Puerto Rico), the sentiment of Latin American solidarity which the coup aroused in Brazil can only deepen.

The union of the popular movements of Brazil and the rest of Latin America, that is to say the internationalization of the Latin American revolution, is thus the counterpart to the process of imperialist integration, inaugurated in its new phase by the Brazilian military coup. However, it is not the only one. The fact that the advance of that integration tends increasingly to strain relations between the national bourgeoisie and the working class, as in the example of Brazil, allows us to foresee that the framework of that revolution, in addition to being popular, will also be socialist.

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