Cuben and Algertan

An Information Service Socialists

Vol. 3 No. 18

FOURPENCE PRICE

3 No. 18 POTEN POURPENCE 18th, 1963

CONTENTS 1826 Economist slates Tory regional plans Page Creeping means test in Glasgow? 2 Page Raptis to speak in London Big Jim's military partners in new company Details of Mandel's meetings in Nottingham announced The L.C.C. and Civil Defence Page 3 An Athoist on television Direct labour saves £500 a house Labour unlikely to scrap H. Bomb Pro-Chinese rebels all out of C.P. Franch workers say "pay attention" Pago 4 Uprising in Southern Arabian Federation against British 5 Page colonial rule Egyptian delegation to go to Moscow Cuban and Algerian youth organisations pledge themselves to fight colonialism Former chairman of Cuban Communist Party dismissed from University job North Korean Communist journal attacks liberalisation 6 Page Czechoslovakia cuts motor-cycle production Albania to stago anti-Khrushchov trials? Social Democracy - American style Page Kennedy on unemployment in the U.S. United Nations' official blames terms of trade for poverty 8 Page in Latin America Wholesale prices rising.

Letter to readers

We have reproduced extracts from an article in the contemporary issue of the Economist which derides the Tory plans for regional development. This article reflects differences of opinion within the capitalist class of this country which we have referred to before. The same issue of the Economist had as its main editorial an attack on the Prime Minister's attitude on the possession of an independent British deterrent. That article ended: ".... Britain will do itself no good by appearing to demand a place in the world other than justified by its qualitities its weight and its usefulness, by using nuclear armament as a lever to that end; or by egging others to do the same."

These differences, which have deep roots, are obviously a very important political phenomena. In our little journal we can do little more than hint at some of the issues involved from time to time so we are glad to learn that at least one other journal is to carry material making a full analysis of the question. We will give more details in subsequent issues.

Subscription rates:

six months one year 24 issues 48 issues

12/6

Published by the International Bookshop, 4, Dane St., Nottingham. Produced by voluntary labour.

1827 ECONOMIST SLAMS TORY REGIONAL PLANS The Economist of November 16th had some hard things to say about the Tory regional plans for Central Scotland and north-east England. In its guide to contents it headed the article "Swill, not cure - Proposals for two British regions amount to thin gruel for central Scotland, thinner still for the North Hast." The article itself started:

"The first thing to say about the regional plans for central Scotland and north-east England is that they are not really modern economic plans at all. They are not drawn up in terms of any Keynesian estimate of the gap between demand and potential supply there, because it does not seem to have occurred to anybody in the Government that such language (and such thinking) would be relevant. An innocent might have expected some estimates of the present annual value of production in these two regions, and a comparison with what the planners estimated could perhaps be economically produced there if all of there regions' resources were fully and efficiently utilised: that is, if their 1962 male unemployment rates of 3.8 to 4.2% were reduced nearer the national average of 2%, and if more of their women had the opportunity to go out to productive work. From this could have flowed a bold statistical estimate of what approximate shortfall in domand and output in these areas appears to be in terms of million of pounds : year; and a detailed assessment of how far the Government's specific plans for increasing regional public investment and its vaguer plans for encouraging regional private invostment are meant to fit into some rough system of regional income accounting, like the national income accounting on which national economic surveys are at least nominally based. But nothing of this sort has been attempted.

"In consequence, the plans lack any real radicalism as well as even an approximate degree of guiding precision. A radical would have asked such questions as whether it might be sensible to remit employers' national insurance contributions in development regions in order to encourage more aployment there, and perhaps even part of employees' contributions in order to stimulate local consumption. Would not a large increase in national unemployment benefits increase local spending in precisely the right places - i.e., in the areas with the greatest unemployment? Might one advantage of moving over from purchase tax and profits tax to a turnover-val.e-added tax be that a T.V.A. in development districts could perhaps be discriminately reduced? What are the reasoned objections to the Economist's suggestion of meeting the long-term structural problem by considering a move of the administrative capital of Britain from London to the North?

".... In accord with this public works policy, the only really hard figures in these new "plans" are that north-east England (with 5% of Britain's population) is expected in future to enjoy 7% of the Government's public investment, and central Scotland (with 7% of Britain's population) 11% of public investment. No attempt is made to relate the extra £85 million a year that will thus presumably be pumped into these two regions to the assumed shortfall of productive employment there. We are given no yardstick by which to measure whether it is too little or too much. The last budget's measures to encourage private investment in these regions (free depreciation, etc.) are extolled, but there is no indication of what level of new private investment the Government is hoping for as a result, or what level of response would be regarded as so disappointing that the last budget's incentives would have to be increased. Nor, on the other hand, is there any discussion of at what stage, if these measures do not work, it might be right brutally to agree to stop even trying to import new factories into some parts of these areas and to go on allowing the export of population from them instead. The "plans," in short, are expressions of worthy half-aspirations with remarkably little tangible economic analysis behind them. It is as such that they must be judged"

About 12,000 of Glasgow's municipal tenants believed to be earning more than £20 a week will have to pay 'economic' rents if a plan prepared by Councillor Tom Creaney, convenor of that corporation's property many ment committee, is accepted by the Labour-controlled corporation.

As the election draws near pressure from the 'Progressive' group on the Council and from the Tory Scottish press has been concentrated on this issue and the old slogan of the 'exploited' ratepayer revived. The situation is complicated by the known cases of corruption in the allocation of Council houses.

The possibility of acceptance of Cllr. Creancy's scheme is also complicated by the opposition of the Lord Provost, Mr. Peter Heldrum, who believes the system would be too complex to administer and advocates the designation of the whole of certain new schemes as areas in which the economic rents could be charged for all the houses.

Reactions in the Labour Party to the proposals have been rapid and Woodside C.L.P. has tabled a resolution for the Scottish Labour Party Conference drawing attention to the necessity to tackle the question of interest as the major burden on local authorities housing budgets and calling on all Labour-controlled councils to refuse to increase rents or rates until there has been a substantial reduction in interest rates.

RAPTIS TO SPEAK IN LONDON from a London correspondent

Michel Raptis, head of the Department of Non-Covernmental Aid to the
Algerian Revolution and economic advisor to Bureau of the Department of
Socialist Animation in Algeria, is speaking in London on Friday the 29th of
November. The meeting is being held at the Friends House, Euston Road and
starts at 7.30. The subject is: THE ALGERIAN REVOLUTION TODAY.

Readers will remember that Raptis went to prison for his activities in aiding the Algerian Revolution. He is in the position to speak authoritatively on the situation in Algeria both from the point of view of having a tremendous degree of direct knowledge and from the point of view of making a Marxist assessment of the processes taking place in the country.

BIG JIM'S MILITARY PARTNERS IN NEW COMPLTY from a Trade Union correspondent

Big Jim Matthews, formerly full time national officer of the

General and Municipal Workers and notorious witch-hunter and red-baiter,
has distinguished fellow directors in his newly formed firm. They are

Lieut.-Colonel Dawson and Lieut.-Colonel G.R. Shipway. Readers will, perhaps,
not be surprised to learn that Lieut.-Colonel Dawson used to be London
Rogional Director of the Economic League.

The new firm, Jim Matthews, Eric Dawson and Co., describes itself as labour relations advisory concern. It will charge about £1,000 per year to advise firms on the handling of labour problems, training and the introduction of new methods. The anti trade union function of such advice seems obvious. Big Jim has other irons in the fire he has a seat on the Inland Waterways Board, he is with the firm of Securicor, helping a large Midlands industrial engineering group and advising a consulting engineering firm. Rank and file trade unionists are still paying him a full pension through their subs too. This seems to me to one case where we might favour a means test.

DETAILS OF MANDEL'S MEETINGS IN NOTTINGHAM ANNOUNCED

We now have details of the two meeting Ernest Mandel is to address in Nottingham. The first at the University in the Portland Hall is at 4.30 on November 29th - the subject being "The future of Socialism in the Common Market countries". In the evening, same day he will speak at the Reference Library of the Mechanics Institute, Trinity Square, at 7.30. THE L.C.C. AND CIVIL DEFENCE from a London correspondent

The current L.C.C. minutes, page 663, contains the following question and answer:

Question asked by Mr. Hugh Jenkins to Mrs. Freda Corbet, Chairman

of the General Purposes Committee:

"Further to my questions on 8 October, 1963 (Page 547) and 22 October 1963 (page 609), concerning the Council's plans in the event of thermonuclear war, and having regard also to the Council's acknowledgement, on 3 October, 1961, (page 590), in the course of a motion under standing order 77, that there is no practicable means of providing Londoners with effective defence against thermo-nuclear war, is it the view of the General Purposes Committee that the present plans are likely to provide an effective rescue service, or that it is necessary to provide the appearance of Civil Defence so as to conform with Government policy, whether or not any defence is actually possible?

Answer: "I can assure the honourable member that the Council's purpose is not to provide the mere appearance of Civil Defence, but, under the Government's policy and direction, to help plans for the most effective use of the nation's resources in rescuing and providing for the needs of the maximum number of people in whatever conditions might befall after an attack

on this country, whether by nuclear weapons or otherwise."

from a London correspondent AN ATHEIST ON TELEVISION All too rarely is the materialistic, atheist or secular view heard on television. It comes as a pleasant surprise to watch "The Sunday Break" programme on I.T.V. a discussion between an R.C. priest, a spiritualist

medium and an atheist about life after death.

Mr. David Tribe, President of the National Secular Society, was continually interrupted by the R.C. priest during his exposition of the materialist view of "purgatory" and "life after death", and eventually Barry Westwood, the chairman, mildly intervened.

The clash between Tribe and the R.C. priest and the searching questions from the youngsters on the programme effectively cut down the nonsonse about teenagers, who are increasingly finding that religin and the churches are completely irrelevant both to their problems and the fundamental questions about life, man and the universe.

DIRECT LABOUR SAVES £5.00 A HOUSE from a special correspondent A direct labour tender for building 79 dwellings for Reading Corporation (Berkshire) works out at £500 a house cheaper than the next lowest bid. The Council were asked to approve the tender, which at £162,000 was £40,000 below the nearest private bid.

LABOUR UNLIKELY TO SCRAP H. BOMB from a Croydon correspondent The Observer of 17/11/63 carried a report by Nora Beloff, obviously based on inside information, which stated: There is a mounting impression inside the Parliamentary Labour Party that if Labour wins the next election Britain will still not be committed to getting rid of the bomb. Mr. Gordon Walker ... said last week in Parliament that it would be "stupid" to scrap Britain's present nuclear force, Mr. George Brown has suggested that it should be given up only in return for a share in "the command and control" of the American strategic deterrent - which few observers think the Americans would concede."

PRO-CHINESE REBELS ALL OUT OF C.I.: All the 14 signatories to the anti-Gollan document issued a fortnight ago are out of the C.P. now. Messrs. Cross, Hall, Jervis, Jones, McCreery, Pinckheard, Sheriff's being expelled by the London D.C. on Sunday, 17th, the same day the Yorkshire D.C. expelled 3 members of the Scarborough branch; 3 others are reported to have resigned. FRIENCH WORKERS SAY, "PAY ATTENTION" 1830 from a Paris correspondent

Some 2 million workers in government and nationalised industries made November 6th a holiday in France — but a holiday with a message: pay attention to Labour's demands! Gas and electricity went off promptly at 8 A.M. in most places and stayed off until 5 P.M. Government offices were empty. No mail was distributed. Water pressure went down. Electric trains stayed in the stations. The Paris underground closed its gates to passengers.

Traffic lights went dead — which didn't contribute to orderliness as automobiles on streets increased abnormally in number. Air traffic was cut 40%. Garbage went uncollected. Hospitals took care of only serious and emergency cases. Schools went on holiday for the day. TV fans had to skip their favourite programmes. Some bakeries were in short supply because of reliance on electric mixing machines and gas ovens. Butchers worried as refrigerators warmed up. Restaurants served cold meals. People got unaccustomed work outs because of stopped elevators. A journalist complained about his electric razor not working when he plugged it in.

The absence of gas and electricity, the dip in water pressure and the difficulties in transportation were scarcely conducive to a high rate of production among the millions of workers who were not called out. In eastern France the miners decided to show their approval of the action by strking.

Thus the whole economic life of the country was affected by what is known in French as perturbations. Such an extensive nation-wide demonstration is not the first of its kind and will not likely be the last. How are such actions to be explained? What do they point to?

For some years it has been observable that the layers of workers hitherto viewed as the vanguard, like the metal workers, have engaged in struggles of less and less scope while the workers in the public sectors, offices, etc., that is, categories that formerly were the least advanced politically have been demonstrating more and more frequently and, in some cases, striking. The explanation is obvious. The metal workers, above all the skilled categories, have turned full employment to advantage, winning wage increases without big struggles. In contrast workers in the so-called "civil service" have not been getting much response from their employers, the government. Their wage rates are behind schedule and consequently they have been driven more and more frequently and strongly into protest actions.

This could be a base of departure for the workers' movement. Unfortunately the leadership of the workers' union — C.P., traditional reformists, catholics — like the corresponding political leadership do not have the slightest intention of undertaking a struggle that might hurt the regime and eventually set in motion revolutionary consequences. The economic struggles are not only divorced from a political perspective of that kind, even as economic struggles they occur only at the lowest level. Thus a day in which demands are publicised by a stoppage must be viewed as a kind of preparatory mobilisation, a kind of test run before engaging in more serious struggles for correspondingly more serious aims.

For the trade union leaders, such stoppages have a different objective. They want to demonstrate, during negotictions with representatives of the government, that the workers are behind them. They are looking for likeling for themselves, in order to take credit for the small increase which the government may grant its employees.

In general, for some years, the workers have responded to these appeals of the trade union leaders, but with rather diminishing enthusiasm. They don't want to disavow their organisations even if they display great timidity. It is not very likely that the government, which does not hide its hope that the workers will leave their organisations out of weariness, will see its wishes realised. At certain times some workers begin strikes almost spontaneou ly, e.g., the miners, such will to resist coming as a shock to the leaders of the trade unions.

1924 UPRISING IN SOUTH ARABIAN FEDERATION AGAINST HRITISH COLONIAL RULE

Hsinhua of November 16th reported:

"An uprising was staged by tribesmen in Musaimir, capital of the Haushabi sultanate in the British rigged-up "Federation of Arab Emirates of the South", according to a report from London quoting the paper "Scotsman" The British Ministry of Defence has admitted that British forces armed with armoured cars and field batteries from the Aden base to Musaimir to suppress the uprising together with the troops of the "federation."

"The Scotsman said that "There is little doubt that there is considerable dissatisfaction among many tribesmen" with the British colonial rule in the "federation" set up in the Aden protectorate. "Under these circumstances, the paper said, the question was raised of just how long British troops could go on belstering up the. feudal and corrupt regimes for the sake of protecting the Aden base.

EGYPTIAN DELEGATION TO GO TO MOSCOW from a London correspondent
Following the United States Senate vote to suspend aid to Egypt, the semi-official daily Δ1-Λhram stated that the Industry Minister, Aziz Sidqi and War Minister, Abd Alwahab Bashni are expected to visit Moscow soon. It has also been dis losed that Russia recently offered participation in a new Egyptian five-year plan.

The new crisis has been likened to the Suez crisis which led to the nationalisation of the Suez canal. The Egyptian Government has already retaliated to American pressure by continued nationalisation measures.

CUBAN AND ALGERIAN YOUTH ORGANISATIONS PLEDGE THEM SELVES TO FIGHT COLONIALISM
Algerian and Cuban youth organisations in a joint statement issued
in Algiers on November 15th "roaffirmed their determination to stand foever
in the forefront of the fight against imperialism and no -colonialism." The
statement was released by the secretariat of the youth organisation of the
National Liberation Front (F.L.N.), the National Union of Algerian Students
and the Cuban Communist Youth Union following the visit to Algeria of a
member of its Executive Committee. Cosar Samez.

The youth organisations of the two countries also announced their decision to form a committee in support of the Cuban Revolution in Algeria and another in support of the Algerian Revolution in Cuba. The statement said that if the Algerian and Cuban revolutions were attacked by the forces of imperialism and reaction, the young peoples of the two countries would take joint action to defend the gains of the two revolutions.

CUBA TO ESTABLISH EMBASSY IN ALBANIA

The New China Newsagency in Havana reported on November 14th: "A Cuban diplomatic mission commissioned with the task to open the Cuban Embassy in Albania left Havana by air for Albania on November 13th. The mission, headed by Charge d'Affaires Florial Chomon, was seen off at the airport by Juan Nilo Otero, director of the Secretariat and Jesus Barreiro, Director of the Department of Socialist Countries of the Cuban Forcign Ministry. Also present was the Albanian Ambassador to Cuba, Josif Pogace."

FORMER CHAIRMAN OF CUBAN COMMUNIST PARTY DISMISSED FROM UNIVERSITY JOB

Dr. Juan Marinello, elder statesman of Cuban communism, was dismissed as rector of the University of Havana on November 1 th. He is a former chairman of the Popular Socialist Party (the Cuban C.P.) and became rector of the university in January, 1962. He was replaced by Dr. Juan Mier, the deputy Minister of Education. Dr. Mier and Dr. Armando Hart, the Minister of Education, former members of the July 26th Movement which is now fused into the P.S.R. are known to favour an independent line in relation to Moscow.

NORTH KOREAN COMMUNIST JOURNAL ATTACKS LIBERALISATION

1832 Keunroja, journal of the Central Committee of the Korean Workers' Party carried a long article in its number 20 issue entitled "Communist Education and Class Education." It was mainly concerned with the "fight against revisionism" and as such was largely a reiteration of the well-known Chinese arguments. However, one interesting passage made a trenchant attack on the so-called liberalisation which has occurred in a number of workers states. It read:

"...It is to "liberalise" the country to permit the infiltration and fostering of bourgeois ideology and bourgeois way of life. "Liberalisation" of the country means to allow the fostering of the bourgeois relations in social, ideological and political life as well as material life, and the weakening of proletarian discipline. This gravely menaces the proletarian dictatorship, hampers the development of the socialist system and runs entirely counter to the enhancement of socialist democracy. "Liberalisation" of the country means precisely the so-called "peaceful evolution" in socialist countries, which the imperialists are going all out to translate into reality.

"Liberalisation" of the country, as is evidenced by the reality of Yugoslavia, may directly bring the restoration of capitalism, may provide the ground for a counter-revolutionary flare-up. Under such circumstances, nothing is more absurd and harmful than clamouring about the final victory of socialism, while abandoning ideological struggle against imperialism and egating the class education of the working people. Rejecting class struggle and revolutionary struggle, modern revisionists praise the "liberalisation" of the country as the enhancement of some sort of democracy, and poison the masses with anti-marxist views, denying the class character of dictatorship by counterposing it to democracy and rejecting the proletarian dictatorship..."

CZ CHOSECVAKIA CUTS MOTOR-CYCLE PRODUCTION

An interesting sidelight on how East/West trade, by partially integrating the economies of the workers' states with those of the capitalist world market, creates problems for the workers' states is given in an item which

appeared in the Financial Times

"Czechoslovakia is to cut her motor-cycle production. The Jawa motor-cycle plant in Prague will be turned into a semi-conductor factory and the cycles will be made only at Brodce in Central Bohemia. The C.Z. make will coase to be produced. Production in future of the Jawa types will total about 35,000 a year, a quantity that can be sold on the home market. Total Czech production of motor-cycles and scooters combined will be 111,000 - 120,000, The decision to cut motor-cycle output reflects the falling off of Czechoslovakis's exports to customers in both East and West. As an official statement puts it, "in the capitalist countries people tend to prefer cars and the production of motor-cycles and scooters in the socialist countries has increased to such an extent that they are able to meet the demands of their home markets in this respect."

ALBANIA TO STAGE ANTI-KHRUSHCHOV TRIALS?

An article in the Albanian newspaper Zeri i Popullit mentioned Mrs. Belishova, who disappeared from the political scene 3 years, in connection with alleged plots to overthrow the leadership of General Hoxha, This might well prove to be a preparation for an anti-Soviet political trial. The last show trail by Albania was held in May, 1961, when a Russian-trained admiral and a former representative of Albania in the Comecon was charged with Involved in a Yugoslav-inspired plot. When Mrs. Belishova was removed both Khrushchov and Mikoyan expressed concern for her safety and said she had suffered "political repression.".

1833 SOCIAL DEMOCRACY - AMERICAN STYLE

The following letter appeared in the American socialist publication,
The Militant, and gives a very clear picture of the U.S. variety of social
democracy:

"Last weekend I visited my hometown of Bridgeport, Conn., and caught the windup of a three-way majoralty race there. You may recall that Bridgeport was the town that for many years had a Socialist Party mayor, Jasper McLevy, who was deposed a few years ago. He was typical of the people who are socialist in name only and are prominent in the Socialist Party-Social Democratic Federation. His only program was lower taxes - to save money on snow removal equipment he is supposed to have procalimed: "God put the snow on the ground and he will take it away." And every spring he was proven right.

"McLevy was a joke but the present Socialist Party candidate, William Visokay, is even more backward than the Republicans and Democrats. "We must learn," he says in the Bridgeport Sunday Post, "that there is the Straight-Narrow-Honest Path by which we must be guided for all our people's destiny....When we practice fairness, honesty, and above-board methods, then and only then shall we enjoy peace of mind." After thus coming to grips with such key social problems, he solemnly pledged, "that upon being elected to office we shall hold as our guide the greatest law of the age left us by Almighty God - The Ten Commandments."

"Lest you think Visokay might have trouble enforcing this program, his record proves otherwise. He was a professional enforcer - a state cop - for 15 years and has been safety and security director (the man who deals with strikers) of Bridgeport Brass for the past 20 years. During World War II no was a safety and security director for 51 industrial plants and for all utilities in New Haven and Fairfield Counties.

"Not one to be scared by the witch-hunt, he was, to the contrary, a joiner - of a Catholic church, war voterans, three safety councils, etc., etc. and - last on the list - the N.A.A.C.P.

"But Visokay's no joke. He's one of the products of the Socialist Party's having abandoned all pretence of a fight against the capitalist system. You'd think that at least they would have the decency to change their name and step out the way of those who are serious about fighting for socialism.

KENNEDY ON UNEMPLOYMENT IN THE U.S.

Speaking at the A.F.L.-C.I.O. National Conference in New York, last week, President Kennedy admitted that unemployment "is the number one issue today" in the U.S.. He said that with regard to unemployment in the U.S., the poet and author Robert Louis Stevenson stated it very simply a long time ago: "the saddest object in civil "... is the man who can work, and wants to work, and is not allowed to work."

Kennedy said, "there are too many such men - and women - in America today. Some 4 million workers are idle." Over 12 million were unemployed for some period of the year. A quarter of them were out of work 15 weeks or longer and their families were feeling the pinch, he added. Kennedy acknowledged that the unemployment rate was as high this year as in 1954 - a year of recession. Last year's loss of man hours was a staggering 1,000 million work days, equivalent to shutting down the entire country with no production, no services and no pay for over three weeks.

that the cycle which has been traditional is still with us, if we end up that recession with 8 or 9 million people out of work, what then is going to be said about the leader of the West? Kennedy once again called for a tax cut as an artificial means to stimulate the economy, to ease unemployment and to delay the coming of another economic crisis.

1834 The deterioration in the terms of trade for primary producing countries was making planning of economic development impossible according to Dr. Raul Prebisch, the former Executive Secretary of the U.N. Economic Commission for Latin America. He was speaking at the Ministerial session of the Inter-American Economic and Social Council's conference in Sac Paulo on November 14th. The terms of trade have deteriorated steadily since the end of the boom following the outbreak of the Korean war. There has been a continuous tendency for the price of primary products to fall, and those of manufactured goods to rise. This leads to the position where the primary producers have to export more and more to buy less and less. The superior economic position of the advanced industrial countries and such institutions as the Common Market enables these countries to enforce unfavourable trade agreements on the primary producers.

Latin America would never achieve even the modest target of a per capita annual economic growth of 2% recommended at the Punta del Este Conference of 1961, let alone the 5% growth rate considered desirable by the United Nations if there were no revision of world trade and economic policies. (The natural population growth in Lafin America is estimated to be 2% per annum, therefore any growth rate less than that would mean a continuous tendency for the standard of living to fall)

Dr. Prebisch, who is the Secretary-General of the U.N. Trade and Development Conference that starts in Geneva next March, said that developed countries' policies towards the underdeveloped world had to be changed. He endorsed the proposal of a previous speaker, President Joao Goulart of Brazil, that a common Latin American trade policy be worked out for the Geneva talks.

In his speech Sr. Goulart had pointed out that the terms of trade had turned disastrously against the primary producers, causing inflation and serious payments imbalances and forcing them to have recourse to loans and debt settlements on unfavourable terms. It was essential, he said, to forge a new system of world trade, with a method of just and remunerative prices for raw material exports and an end to obstacles and discriminatory practices imposed by the developed countries on the free movement of primary products.

WHOLESALE PRICES RISING

Prices of fuel and material used by non-food manufacturers increased during October, the Novemebr 15th issue of Board of Trade Journal reported. The provisional index of wholesale prices (1954 - 100) rose to 104.8 compared with an average for the thrid quarter of 104.2, and 102.5 in the fourth quarter of 1962. Higher prices for raw wool accounted for much of the rise in the textile industries, which more than offset the slight fall during the third quarter. Prices of materials used in the construction industry and in house building have gradually increased during the year, and are now some 1.5% up on one year ago. The increase may seem small, but if continued over a year would amount to one of 7.6%, a high figure. It is difficult to determine all the factors invo lved but it is clear that a substantial part of the rise is accounted for by the recovery in production levels.

The index for the food sector increased sharply during October, and was some 3.5% up on the third quarter. Two-thirds of this increase was caused by higher sugar prices while half the remainder was due to higher prices for grain resulting from strong international demand (mainly the Russian purchases), rising freight rates and a smaller domestic wheat crop.

Food output prices rose nearly 2% in October, bringing the index up to 117.4 compared with 113.5 in the third quarter and 112.3 in the fourth quarter of last year. Once again higher prices for refined sugar were largely responsible for the increase.

Whilst too much cannot be made from one month's figures, it seems likely that the Tory Government will face, on top of everything else, the beginnings of an inflationary pressure in the coming months.