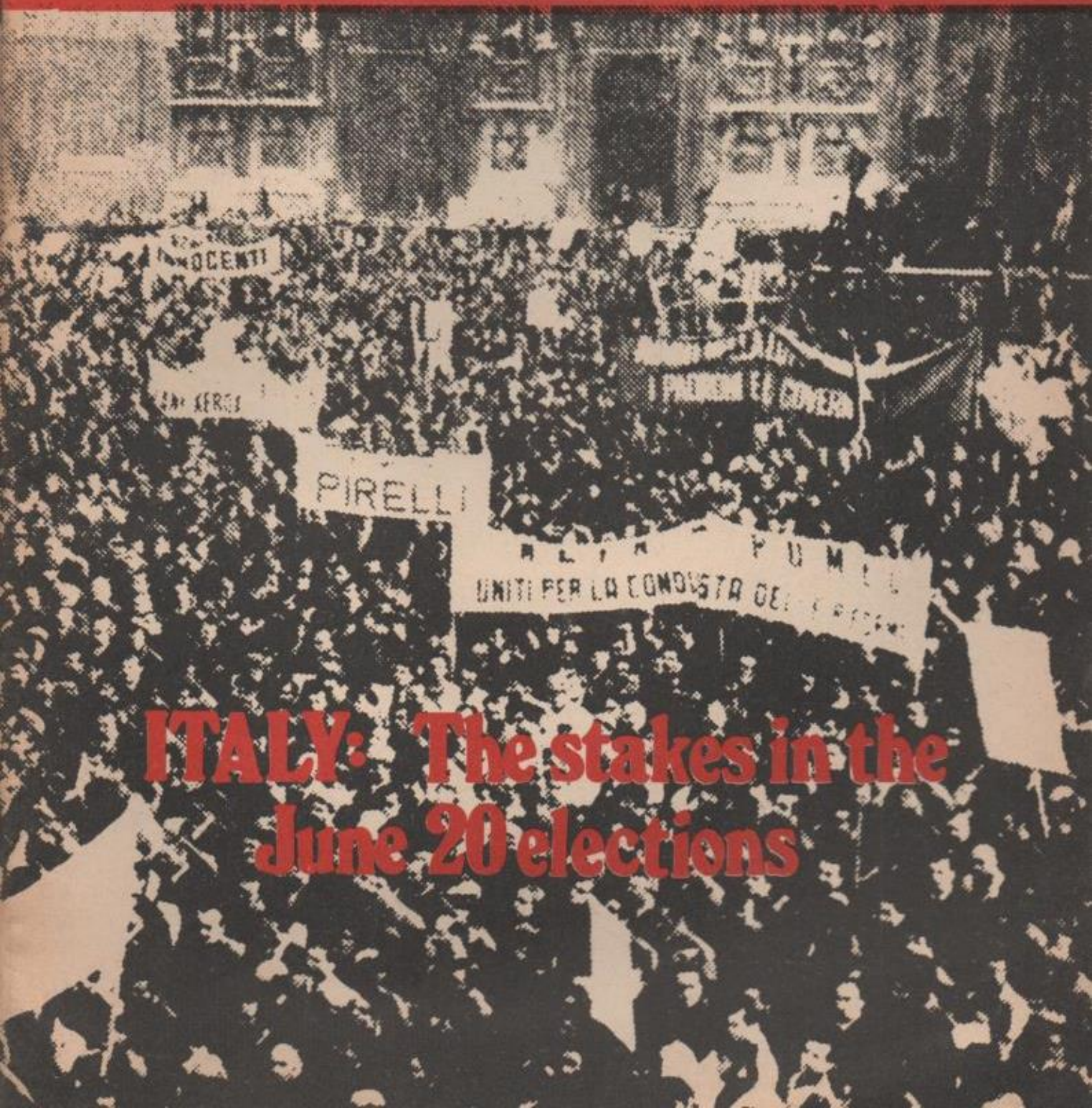


imprecoR

international press correspondence

fortnightly, no. 51, 13 may 1976

\$.75, £ .30, 30 fb



**ITALY: The stakes in the
June 20 elections**



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INPRECOR 76 rue Antoine Dansoert Brussels-1000 Belgium
INTERNATIONAL PRESS CORRESPONDENCE
Fortnightly information organ of the United Secretariat of the Fourth International
published in English, French, Spanish, and German.

Signed articles do not necessarily represent the views of INPRECOR.

SUBSCRIPTIONS: 1 year (25 issues) — US\$17; Can\$17; £7
AIR MAIL TO U.S. & Canada: \$24. TO AUSTRALIA & NEW ZEALAND: US\$30.
SPECIAL SIX-ISSUE AIR MAIL INTRODUCTORY SUB: U.S. & Canada \$5.50;
AUSTRALIA & NEW ZEALAND US\$6.50.
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ITALY



THE STAKES IN THE JUNE 20 ELECTIONS

by LIVIO MAITAN

The new phase of the Italian political crisis, which led to the dissolution of parliament and the calling of early elections (scheduled for June 20) developed as a drama of several acts; the actors were all the major parties, performing before the backdrop of a social and economic crisis that has continued to worsen.

The Socialist and Christian Democratic congresses

The first act, which occurred in early March, was the congress of the Partito Socialista Italiano (PSI — Italian Socialist party). Under the pressure of the radicalization of its own electoral base, the PSI made a left shift at its congress, with relative internal homogeneity. (In spite of the emergence of several tendencies whose respective sizes were taken into account in the election of the new Central Committee, the political resolution was adopted unanimously.)

After about fifty years of advancing a strategy of organic collaboration with the major party of the bourgeoisie (including at the government level), with the prospect of making partial reforms to rationalize the system, the

PSI has now been driven to question the system itself. PSI secretary Francesco De Martino explicitly rejected (although in vague terms not lacking in ambiguity) the possibility of the party's contributing to "a restoration, difficult if not impossible anyway, of the traditional capitalist system, all of whose mechanisms have fallen into such deep crisis." The concluding resolution of the congress declared itself for "the strategic line of alternative to the Christian Democratic regime, a left alternative, which can occur only in the framework of a transition to socialism, gradually and with full respect for all the values of liberty and for the democratic and republican conquests that came out of the Resistance."

These assertions were softened by the usual proclamations on the need for the broadest alliances and the acceptance of a clear place in the western world. (The formula deserves to be quoted in full, so that its crude eclecticism may be properly admired: "The PSI places itself within the framework of that complex of civic and human values that are called western, while nonetheless rejecting the economic system that prevails in the West, that is, the capitalist system.") At the same time, De Martino rejected the proposal made by some delegates that the PSI ought to formally state that it would no

longer support any government coalition in which the PCI (Partito Comunista Italiano — Italian Communist party) was not included in one way or another. Nonetheless, one important element remains, and that is that along with enunciating a new strategic perspective, the Socialists officially sanctioned the death of the center-left: "The old policy," the PSI resolution says, "is finished forever; the center-left is buried and a new phase is opening, one that has yet to be constructed. . . . The intermediary period has already opened."

The fact that the PSI buried the old option without concretizing a new one for the immediate future offered the Christian Democracy (DC — Democrazia Cristiana) and the government some room to maneuver. Thus, theoretically the congress of the DC, the second act in the drama, had an opportunity to take advantage of this. This congress threw harsh light on all the aspects of the crisis of the ruling party — and in front of millions of television viewers: the separation of the political apparatus from the very social forces it had traditionally represented; the division and fragmentation of the leading group; the extensive distrust of the "historic" leaders among the rank and file. The "forward-looking" group, led by Benigno Zaccagnini, who had taken over from Amintore Fanfani as party secretary after the DC

association with certain forms of collaboration, would give rise to a wave of transformation, generating the sort of careerist opportunism that is also feared by the best informed Communists. The consequence would be the crumbling of the intermediary forces of secular and democratic tradition, the inevitable precondition for a political crisis much broader than that registered with the June 15 vote. "Thus, the only concrete position advanced was that of a special collaboration between the DC and the PSI. The only thing wrong with that proposal is that it comes a few years too late."

Zaccagnini's victory, although narrow and achieved thanks to a bloc that included such broadly discredited personalities as Mariano Rumor and Colombo, was greeted with satisfaction by the promoters of the "historic compromise" (the PCI's proposal for a bloc with the DC). Reichlin, the editor of the PCI's weekly magazine, wrote: "The victory of Zaccagnini and the consequent strengthening of the popular and democratic character of the party, along with the rejection of the DC's role as moderate pole in the Italian political spectrum, is in truth no small thing." This article was dated April 2. Unfortunately for its author, the day before the DC had already dealt him a stinging disappointment: The

MORO CONFERRING WITH ZACCAGNINI



FOREIGN MINISTER RUMOR

defeat in the elections of June 15, 1975, managed to win a majority, but just barely (less than 52 percent of the delegates).

This group has emphasized the need for overhauling the party, for a return to its original inspirations, proposing a vaguely radical-populist theme not without some demagogic flavor. The DC, Zaccagnini has said, cannot be "the moderate pole of the Italian political spectrum, the conservative party subject to the will of its bourgeois protectors, nor can it be the business committee of Italian capitalism, nor an organization purely and simply concerned with holding power." But above and beyond the varying terminology of Zaccagnini and Fanfani, the DC congress confirmed rejection of collaboration with the PCI. Such collaboration, according to Zaccagnini, would in fact not be "the start of a phase of transition, but rather a radical change, in the classic sense, of the social and economic system"; and, a more immediate danger: "Our fatalistic surrender, our

Christian Democrats in parliament had made a bloc with the fascists to pass a draft law denying freedom of abortion and had thus made a complete break with the Socialists inevitable. (The Socialists had enabled the Aldo Moro government to remain in office by abstaining on votes of confidence.)

As if this was not enough, a few days later Zaccagnini the "overhauler" accepted Fanfani's resounding re-entry onto the political scene with his election as president of the party's National Council, which at the same time designated a leadership within which the victors of the congress stand in a minority. (They are already in a clear minority in the DC fractions in the two houses of parliament.) As a final touch and a way of demonstrating that the DC had resolved to defend its own boys to the very end, the Moro government, with one foot already in the grave, reconfirmed the controversial Petrilli as president of the IRI (Istituto per la Ricostruzione Industriale — Institute for Industrial Reconstruc-

tion, the public industry sector). This Petrilli was responsible for having appointed and supported the notorious Crociani, another leader of the industry controlled by the state, who has been denounced as having had his snout in the Lockheed trough.

In sum, the Christian Democratic congress of mid-March created an even more muddled situation for the party and did not at all open the way to possible new developments.

Although this was clear to everyone, the leaders of the PCI nevertheless made a desperate effort to get the DC and its government to make at least some partial corrections that would enable a cabinet crisis and the consequent early elections to be averted. In fact, the PCI leaders continued to prefer that the legislature serve through to the end of its normal term, for that would have offered them the possibility of consolidating their June 15 successes, broadening their direct and indirect collaboration with the DC in the regional, provincial, and municipal administrations, furnishing additional concrete proof of their "sense of responsibility," and in the final analysis, laying the basis for their smooth entry into some future governing majority. In order to

acts of this political drama unfolded parallel to an economic tragedy of alarming proportions. As Moro confirmed in his last speech as head of the government, the first few signs of an economic upturn had begun to take shape in the recent period. Industrial production for the corresponding period in 1974, and the figure for the corresponding period last year, and the figure for the first two months of 1976 was 3.6 percent higher than the corresponding period of 1975. But the new rise of inflation had been under way even before that, and it was running at a rate unforeseen by even the most pessimistic estimates, thus compelling the government to take a series of restrictive measures that threatened to strangle the upturn at its very birth. The devaluation of the lira with respect to the dollar — in part caused and in part accompanied by speculative operations of all stripes — has already contributed and will contribute still more during coming months to a new dizzying rise of prices. (On January 20 the lira was quoted at 685-690 to the dollar; as of this writing the rate of exchange stands at 900 to the dollar.)

The other aspect of the situation, the social crisis, has not at all eased but has even worsened. Workers struggles have continued uninterrupted, with partial strikes, general strikes, strikes by the most important categories



do this PCI secretary general Enrico Berlinguer proposed a pact of all the "constitutional" parties (that is, excluding only the fascist Movimento Sociale Italiano-Destra Nazionale, Italian Social Movement-National Right) on the basis of an emergency programmatic accord. But the DC answered with its umpteenth rejection.

The parliamentary debate promoted by the Moro government itself was the final act of the drama. It was a purely formal affair having the tactical aim of throwing the onus for the fall of the legislature onto everyone else. But this maneuver was lost in the void. The parliamentary formality was greeted by general indifference, the participants simply going through the motions like people whose thoughts were already elsewhere. But things are otherwise with the electoral campaign, which is now well under way.

Given the coverage that has appeared in the international press, there is no great need to recall that the

of workers, powerful street mobilizations. The battle around the new contracts of the major categories has lasted much longer than the preceding periods of conflict in 1969 and 1972; the central dispute of the metalworkers, which had gone on for seven months, ended only on May 1. Nevertheless, a question is posed in regard to these struggles: Have the present struggles exhibited a level of combativity comparable to that of 1969, the highest point of workers mobilization in recent years? Have there been instances in which the rank and file has outflanked the bureaucratic leaderships or not?

The answer cannot be given in terms of an abstract comparison but must take account of the difference in context. In 1969 the struggles were more concentrated in time, and in this sense they sometimes assumed a more explosive character than the present struggles. Outflanking of the leadership was more frequent and more visible during the 1969 struggles. But it must immediately be

added that such cases of outflanking occurred mainly in the phase preceding the turn made by the trade-union leaderships, which decided during the summer of 1969 to "grab the tiger by the tail" and accepted the demands put forward by the rank and file that had previously been vigorously opposed (in particular the demand for equal wage increases for all workers). The bureaucracy then gradually succeeded in regaining a rather solid grip on the overall leadership. In addition, the economic situation at the time was such that the bourgeoisie was able to make rather important concessions. Also, the present situation is different in the sense that today, more than in 1969, the struggles have a national dimension. Even more: It is clear even to the less politicized sectors of workers that the solution to the key problems — unemployment and defense of living standards — is not possible purely on the level of trade-union struggles but requires a general political alternative. Because of this, instances of the ranks' outflanking the leadership become objectively more difficult, in spite of the fact that the bureaucracy has a more conservative attitude today than it did in 1969.

But this does not mean that there are not tensions and constant conflicts between the bureaucratic leading groups and the masses and even within the bureaucratic groups themselves (in particular between the secretariats of the national union confederations, which are inclined to accept an incomes policy in practice, and some federations of particular categories, the metalworkers in the first place, which are compelled to take greater account of the mood of the rank and file and their own previous declarations). The friction between the masses and the bureaucracy has been expressed on two levels. First, some layers of workers have upheld, in some cases rather consistently, the necessity of putting forward more advanced demands both in relation to defense of employment and in relation to wages (thirty-five-hour week with no reduction in pay and 50,000 lire monthly increases for all). Second, and more generally, opposition has been manifested to any further reduction in the already modest platform of demands. These frictions and counterpositions have been reflected both in outflanking of the leadership on questions of methods of struggle (strikes prolonged beyond the official limits, tougher forms of struggle, very determined demonstrations inside factories, complete block of sales, demonstrations of citizens around objectives different from those desired by the bureaucracy) and in sometimes vigorous disputes with noted leaders who have been drowned out by boos while trying to give speeches. Such demonstrations have involved important sectors of workers in Turin, Milan, and Naples, but they have not been limited to these major centers.

What occurred after the conclusion of the contract of the chemical workers is a clear indication of the state of mind of broad layers of workers and of the difficulty met by the union leaders in imposing their solutions. The contract was concluded on a genuinely minimalist basis. On the much vaunted question of "control of investments," which the bureaucrats had tried to make

the battle cry of the entire contract fight, the accord of the chemical workers completely exposed the mystification involved. The only commitment assumed by the employers' associations was to "annually make known to the unions, through appropriate meetings on a national level, the plans on overall investments relative to the industrial activity in question, with possible explanations on the most important specialized sectors and those concerning large geographical areas." As for wages, the contract called for a 20,000 lire monthly increase effective immediately and another 5,000 a month as of the first of January next year. Given the rate of inflation, which is not at all compensated for by the present sliding scale, this increase amounts to a ridiculously low figure. Worse yet, the increase is included as "a separate element of remuneration," which means it is not figured into the base pay and will consequently be lost in cases of absence from work, even for reasons of illness (the only exception is absence from work because of accident). In fact, even the leaders of the chemical workers union themselves quickly realized the difficulties they would run into. One of them shouted at Lama, the secretary of the union, who was singing the praises of the accord, "You go defend it in Marghera!" And in fact, in Marghera (near Venice) the accord was rejected by a large majority at *Petrochimica*, one of the major Italian chemical companies. Nor was this an isolated case: in Marghera itself the example was followed in other factories, among them *Fertilizzanti*, while in the city of Brescia the accord was rejected at *Caffaro*; the *Montedison* workers in *Castellanza* rejected it, as did the workers of *Sincat* in *Syracuse*. The list could be continued. In the past there have also been instances of contracts being rejected, but never on such a sweeping scale and in such significant forms.

There is not sufficient space here to fully describe the mass mobilizations that are continuing to unfold in Italy on various levels. It is enough to stress that the women's liberation movement has exploded during the past several months. This movement had already begun to take shape during the past few years, but it had not assumed the dimensions of a mass mobilization, not even during the fight around divorce in 1973-74. But now the situation has considerably changed for the better. The most important demonstration took place on April 3 in response to the DC-fascist bloc against freedom of abortion. A myriad of feminist collectives participated in this action, an extremely combative one of more than 30,000 women who marched through the streets of the capital for hours. What was especially important was that the *Unione delle Donne Italiane* (UDI — Union of Italian Women), the organization in which the PCI has preponderant influence, was compelled to support the demonstration at the last minute, giving up its opposition to the feminist movement and the "extremists." (The immediate results of this turn were not exactly brilliant; the UDI contingent in the demonstration numbered a little less than a thousand.)

One of the by-products of the extreme social and political tensions of these past months has been a new and



rather considerable rise of terrorist actions and manifestations of violence. There have been many incidents of various kinds, but they may be reduced to the following types: acts of violence against industrial leaders or their instruments (the wounding of Theodoli, secretary of the state petroleum company, the wounding of Borello, division head of Fiat-Mirafiori, the attack on the headquarters of the federation of small industrialists in Milan); acts of industrial sabotage (arson at Fiat, both Mirafiori and Rivalta, at Motta and at Standa); attacks on the forces of repression (on carabinieri barracks and police stations in Rome, Milan, and other cities); attacks on trade-union and political headquarters (arson at the Sassari labor house, sacking of the offices of the PCI and other workers organizations); violence against militants of the left or the far left (the latest case being the attack by a fascist gang on some young people in Milan, resulting in the murder of the youth Ameroso); violence against representatives of the right (assassination in Milan of Pedenovi, MSI municipal councillor).

It is obvious that all these incidents cannot be placed on the same footing. In many cases it was a matter of terrorist acts of the right, clearly identifiable and classical in a certain sense; in other cases they were manifestations of extreme left adventurism, but in most cases not attributable to the well-known groups like the Brigade Rosse (Red Brigades) or the NAP (Nuclei Armati Proletari — Armed Proletarian Nuclei). The action against Fiat division head Borello, for example, was claimed by an outfit that calls itself Formazioni Comuniste Armate (Armed Communist Formations). But the most striking and provocative incidents — such as the arson at Fiat or the assassination of Pedenovi — probably represent a new wave of the so-called strategy of tension, which had already been practiced as far back as in late 1969 (with the bomb planted in the Piazza Fontana in Milan) by far right groups aided by sectors of the state apparatus, particularly elements in the secret services. The aim remains the same: to create an uncon-

trollable situation in the hope of provoking reactions hostile to the struggles of the masses and the workers parties among certain social layers of the petty and middle bourgeoisie and of fostering fascist or fascist authoritarian initiatives. Whether or not such results can be achieved in the present phase is, of course, another question.

What is at stake

The June 20 elections are certainly the most important of the past thirty years. In a future article we will return to the positions of the various forces involved in the confrontation. But the stakes are already quite clear from the outset.

"The elections," wrote the April 11 *Corriere della Sera*, the country's leading bourgeois daily, "being a means of measuring the strength of the parties, will serve to establish the leading group that will have to resolve the problems that are now posed. . . . One leading group is prepared: that of the Communist party. The traditional 'secular and Catholic' leading group, on the other hand, is in full crisis and, in this sense, in a disadvantageous position. Nevertheless, this group benefits from a vast non-Communist electorate, which includes modernized and altered classes, and it has the support of the western world; what it needs to find is concord, inventiveness, and an ability to decide. . . . The stakes involved ought to help it find these things, otherwise it is heading into difficult times. This could even be the last hurrah for those who constitute the present leading group." For his part, Gianni Agnelli, boss of Fiat, declared: "What is important now is that all Italians make a definite choice about the context in which they want to live." (April 21.) In his turn, a PCI intellectual wrote in the party's weekly *Rinascita*: "This year of 1976 may be compared only to the most terrible years of Italian history from the end of the first world war to the present, the years 1921 and 1943. We do not want a 1921, the year of the fascist advance, nor do we want Italy to have to suffer so many struggles and so much ruin before redeeming itself, as in 1943."

Beyond the somber tones, the alternative may be posed in precise terms: Who is to govern? Is the old hegemonic bloc to continue to rule or will there be a radical alternative solution?

The leaders of the PCI are going through all varieties of contortions to escape this alternative, to avert the political polarization that is the consequence of the social polarization that already exists in the country. PCI member Lama, a top trade-union leader, recently made the following statement: "On the eve of this electoral campaign we want to avoid a conjunction, which would be extremely disturbing, of the aggravation of social tension and political tension. This could bring about an explosive mixture capable of rendering the situation much more tragic. Instead, we want these elections to take place in an atmosphere of serenity in which

people can reason with their heads and not on the basis of emotions. We have every interest in avoiding head-on confrontations and in the parties' calmly reasoning out their programs, thinking about the things and the policies that we of the trade-union movement have called for in order to escape from the crisis." We do not know whether Lama really believes what he says or whether he talks like this simply for tactical reasons. We would rather lean toward the former hypothesis. Nonetheless, the convergence of social and political tension is already a reality that no wishful thinking can annul. And for the vast majority of participants, the elections will be seen exactly as a head-on confrontation: between those who want June 20 to give rise to a new bourgeois government, the guardian of the status quo, and those who want the workers parties to take over the leadership of the country.

That is exactly what is at stake.

The far left

As of this writing, the far left has not yet decided how it will relate to the elections. But there has been a rather deep change since the previous parliamentary elections (1972). In 1972 Lotta Continua and Avanguardia Operaia showed contempt for the elections and vacillated between abstentionism, even if not officially proclaimed, and tailending of the PCI. Only il Manifesto decided to participate with its own slate, but without lending its battle the content of a united fight of the far left as a whole.

Today the understanding of the far left's need to make its presence felt in the electoral arena is nearly unanimous. In addition, the development of polemics during the past several weeks has shown that broad sectors have also come to understand the great importance that would be assumed by united lists of the whole far left. This is a position which the revolutionary Marxists upheld in 1972 and which they took up again on the occasion of the regional and administrative elections of 1975; but this position was most often met with skepticism and indifference, if not outright hostility.

Lotta Continua (LC) was the first to take account of the situation and as long ago as February proposed a united far-left slate. But among the national organizations, the LC proposal was greeted favorably only by the Gruppi Comunisti Rivoluzionari (GCR — Revolutionary Communist Groups), Italian section of the Fourth International. The Partito di Unità Proletaria (PDUP — Party of Proletarian Unity) responded with a sharp refusal, claiming that because of the radical differences in strategy an electoral bloc with Lotta Continua would be unthinkable. Avanguardia Operaia (AO) took a less radical, more flexible position, one better able to present difficulties for Lotta Continua. But faced with the actual choice, LC opted for a bloc with the PDUP under the name Democrazia Proletaria (Proletarian Democracy), the name used by the AO-PDUP slates in the June 15, 1975, elections. But just when it seemed that the die

had been cast and that it was inevitable that there would be two far-left slates in the elections (Democrazia Proletaria and Lotta Continua), the debate over electoral policy spread throughout the far left, provoking deep differences in nearly all the organizations. The pressure for unity was manifested much more strongly than the PDUP had wanted or Avanguardia Operaia had expected. Avanguardia Operaia found itself more painfully divided and thus worked out a series of tactical operations aimed at either avoiding having to make a choice or at making it less traumatic. The substance of its position was: Total unity on the basis of a national accord is not possible (because the PDUP had refused); only local accords were possible whereby militants of Lotta Continua would be added to the Democrazia Proletaria slates. These local accords could be extended to a number of districts. Lotta Continua replied, correctly, that the only possible method was that of a national accord and proposed a meeting of AO, LC, the GCR, the MLS (Movimento dei Lavoratori per il Socialismo — Movement of Workers for Socialism), and a bloc of Maoist organizations. LC declared itself willing to enter the Democrazia Proletaria lists and to renounce the candidacies of members of its secretariat, but only on condition that the participation take place in all districts and that radio and television time be divided on a parity basis.

Lotta Continua's position provoked a new wave of discussions and a varied range of interpretations. The PDUP, only after bitter disputes, responded by rejecting the accord with Lotta Continua. If PDUP maintains this position, there will in fact be two far-left lists, that of Democrazia Proletaria, with the participation of the PDUP, Avanguardia Operaia, the MLS, and minor groups of Maoist inclination, and that of Lotta Continua, with the participation of LC and the Italian section of the Fourth International.

The choice of the revolutionary Marxists does not imply any change in their evaluation of the conceptions and basic orientation of Lotta Continua. It is determined by the observation that the responsibility for the failure to achieve a united project lies with the PDUP and by the fact that given the reality of two separate lists, the choice must be made on the basis of the greatest convergence on the central political questions in the current phase. This convergence between Lotta Continua and the GCR, while not an organic one, has occurred during the contract battles and now also on the question of the united far-left slate.

In the framework of the common campaign, the revolutionary Marxists will wage a systematic electoral campaign, which they consider essential in this period. We will return to this point in future articles. The slogan on the crucial question of the government will be: For a workers government excluding all parties and representatives of the bourgeoisie, for a PSI-PCI government based on the trade unions and the other mass organizations.

May 2, 1976

PORTUGUESE ELECTIONS:



WORKERS PARTIES WIN ABSOLUTE MAJORITY

by A. UDRY & C. MICHALOUX

After the April 25 elections in Portugal, the international bourgeois press tried to overcome its disappointment and mask its surprise by declaring that the similarity in the results of this year's legislative elections and last year's elections to the Constituent Assembly was, after all, only an expression of "Portugal's getting used to its young democracy." Nonetheless, the bourgeois press let its real concern show through. As the April 27 issue of the *Journal de Genève*, newspaper of the Swiss banks, put it: "Thus, the popular consultation did not allow for defining the leadership that was supposed to take over in Portugal henceforth." After calling for and desiring a rightist electoral victory, which would have been the crowning touch to November 25, 1975, the European bourgeoisie has been unable to restrain its annoyance. The apostles of "liberal democracy," running with the support of the European bourgeoisie, did not carry the victory that had been so noisily announced in January and February.

A historic exception

The workers parties and organizations — SP, CP, UDP, MES, LCI, PRT* — won 53 percent of the vote. A year ago, the parties and organizations of the workers movement had totalled 58 percent. Their overall score thus declined slightly, but basically it still expressed the relationship of social forces (with regional fluctuations, of course) that November 25 was unable to alter qualitatively. Better, what must be stressed is the historical uniqueness of the persistence of such results. In fact, it is the first time in capitalist Europe that the parties of the working class have obtained the absolute majority twice in succession in such a situation. By way of comparison, it may be recalled that in the January 1919 elections to the Constituent Assembly in Germany, the Social Democracy and the USDP (independent socialist party) won only (!) 45.7 percent of the vote.

In a very general sense, the April 25 elections in Portugal express the combination of three phenomena that clearly threaten to be manifested again, beyond the Portuguese border, during coming electoral consultations in "southern Europe." First, the results reflect the depth of the general crisis of social relations in capitalist society, and this after a period of economic growth that has resulted in the social reinforcement of the proletariat. Second, they affirm the aspiration among the tailing masses for a "change in society," that is, they show that socialism is on the agenda. In his explanation of the results, one Portuguese commentator stressed one of the decisive factors: "The subjective content of the word 'socialism' has extremely positive connotations, even for the less politicized masses." (*Opção*, April 29.)

*SP: Socialist party; CP: Communist party; UDP: União Democrática Popular — Popular Democratic Union; MES: Movimento de Esquerda Socialista — Left Socialist Movement; LCI: Liga Comunista Internacionalista — Internationalist Communist League; PRT: Partido Revolucionário dos Trabalhadores — Revolutionary Workers party.

Finally, the growing pressure of the rise of the workers in Spain, France, and Italy made itself felt on the development of Portuguese political life.

Defensive struggles and April 25

April 25 cannot be seen as a direct continuation of November 25, 1975. In fact, while the operation of the Amadora commandos forced a retreat, by the end of January and the beginning of February the industrial and agricultural workers were engaged in a series of defensive struggles which were echoed in the second great wave of unionization of the Portuguese workers. (See INPRECOR, No. 49, April 15, 1976.) Electorally, in face of the triumphant proclamations of the right and the proliferation of attempts at intimidation, a defensive reflex came to the fore; it had been triggered in the factories, offices, and agricultural enterprises and was reflected in the advance of the trade-union organization of the workers movement.

Of course, the election results also expressed the unevenness of development of this process, an unevenness that is subtended by the differences in social structure among the various regions of the country. In the northern districts, for example, the percentages won by the right, as well as the shift within the rightist vote toward the CDS (Centro Democrático Social — Social Democratic Center), reflect the strengthening of a reactionary pole that has sunk roots among the traditional petty bourgeoisie. The election scores of the CDS and the PPD (Partido Popular Democrático — Popular Democratic party, the largest bourgeois party) totaled more than 50 percent in the districts of Viana do Castelo, Braga, Villa Real, Bragança, Aveiro, Viseu, Guarda, and Leiria (see map). These districts include about 33 percent of the population of the country.

On the other hand, the parties and organizations of the workers movement won absolute majorities, sometimes overwhelming ones, in the districts located south of the Tagus River and in and around the big cities: Beja (82%), Coimbra, Evora (76%), Faro, Lisbon, Portalegre, Porto, Santarém, Setúbal (see map). These districts include about 59 percent of the population. While the North-South division is real, it would nevertheless be erroneous to think that a total chasm separates the two regions of the country. In fact, the SP and the CP, as well as the organizations of the far left, managed to assemble a not negligible part of the vote in some northern districts: 41% in Leiria, 46% in Castelo Branco, 38% in Braga. Obviously, in these regions the SP is broadly dominant within the left, which simply reflects the uneven development of class consciousness.

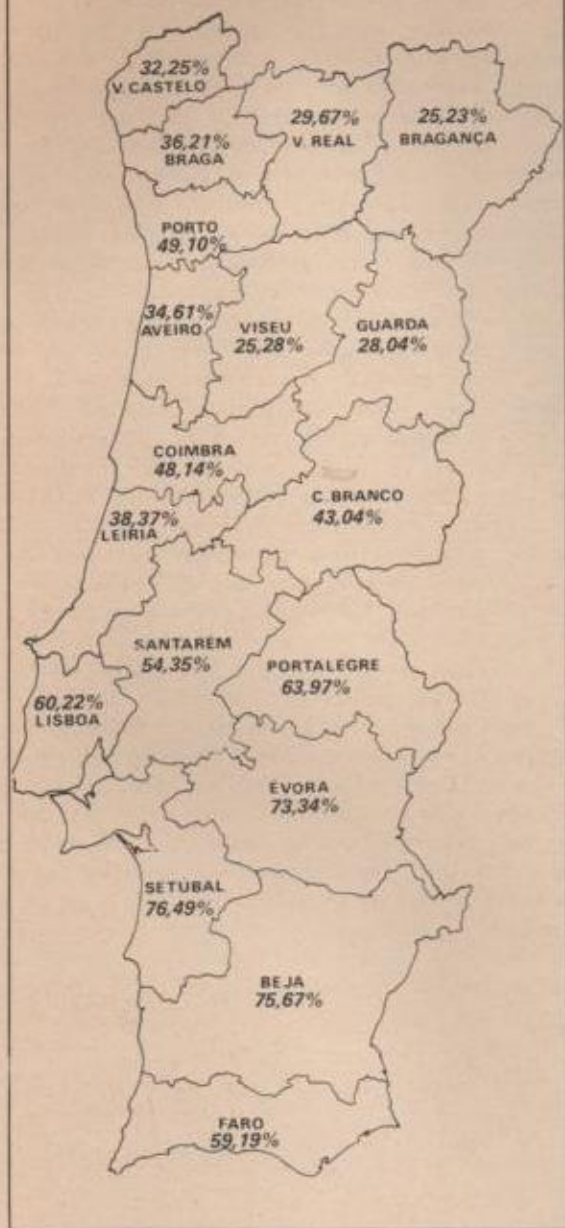
Partial reorganization of the right

In a general context of social polarization determined by the resistance of the toiling masses to the attack of the employers and the government, a slight progression,

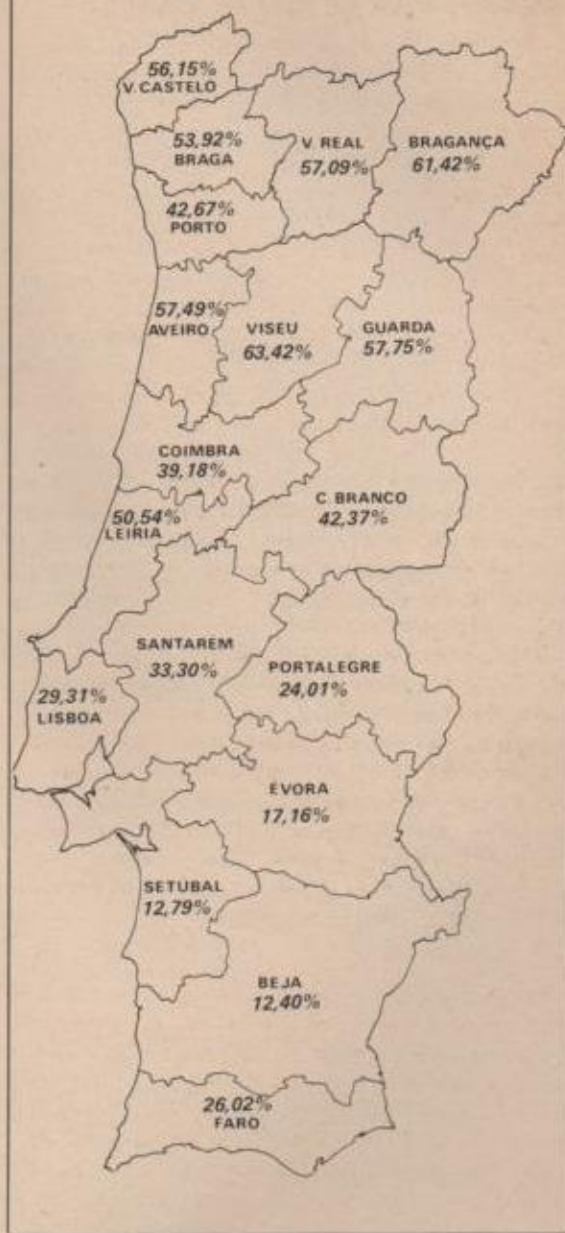
combined with a realignment, went on within the bourgeois camp. Taking advantage of the mobilizations of the CAP (Confederation of Portuguese Farmers) and the positions taken by the CIP (Confederation of Portuguese Industrialists), the CDS presented itself as an opposition party that had not been involved in government wheeling and dealing, aiming at turning around the relationship of forces in the territory occupied by the bourgeois parties. During the month of April CDS leader Freitas do Amaral made many predictions, setting his vote target at more than 20 percent. In fact, the CDS won about 16 percent, so the objective was not attained. Granted, in the North, especially the interior of the North, the CDS is taking shape as the political pole and organizer of the reactionary counteroffensive. The shift of PPD votes to the CDS since the 1975 election was clear in the main northern districts (Aveiro, Braga, Bragança, Castelo Branco, Guarda, Villa Real, Viseu, and even Porto). Nevertheless, on a national scale the CDS was unable to reduce the place occupied by the PPD sufficiently to appear as "Alternative '76," a goal conceived under the sign of antisocialism. From this standpoint, the result constitutes a setback and is fully part of the crisis of bourgeois leadership. Hence, the CDS has fallen back on a proposal for a "government of national salvation," which is conceived of as a CDS-PPD-SP coalition. In addition, it is placing its hopes in the election of an army candidate to the post of president of the republic, which would counteract the dynamic of the electoral results unfavorable to the CDS. In fact, the president will command very significant powers: choosing the prime minister, supreme commander of the army, president of the Council of the Revolution. The CDS candidate, Galvão de Melo, in reserve in the ranks of the army, has also become the CDS's candidate for president. This time, the CDS has been compelled to stake its hopes on an "Alternative '77," which would be guaranteed by an officer.

Although its electoral strength was almost maintained, the elections also confirmed the failure of the project of the PPD, which ever since September 1974 has been trying to put itself forward as the "great center party" holding hegemony in the bourgeois camp. Although the PPD picked up some votes that had gone to the SP in April 1975, it was unable to win enough of these votes to claim to represent a broad social spectrum ranging from industrial capital to the traditional petty bourgeoisie to the so-called new middle classes. On the other hand, the PPD lost ground to the CDS among the layers whose anti-working-class mobilization has been strongest (in Vêiro, Braga, Bragança, Guarda, Viseu, and Villa Real). Its place in the various coalition governments, like the effects of its "Social Democratistic" demagoguery, prevented it from effectively eating into the voters mobilized during the assemblies of Rio Major (against the agrarian reform). Thus, at the end of its campaign, the PPD was compelled to ease up on its anti-SP and anti-worker propaganda in order once again to highlight the theme of Social Democracy, thus hoping to capture a broader fringe of the former SP votes. Today the PPD will have to rework its coalition policy, whatever the difficulties. Sá Carneiro's succession of turns on the

VOTE FOR SP AND CP



VOTE FOR PPD AND CDS



question of his party's participation in the government reflected the party's latent crisis and in turn confirmed the crisis of bourgeois leadership. Once again, the PPD must aim at an alliance with the SP (a difficult operation in view of the tensions within Mr. Soares's party), while still calling for the election of a general as part of the continuation of the reorganization of forces in the upper reaches of the army since November 25, 1976.

The «left majority»

The SP engaged in an intense electoral campaign. The size of its meetings indicates that it has a massive popular audience. Even though the themes of the campaign

(“reconstruction of the country”) were not to the left of the themes it stressed in 1975, it is obvious that the SP vote often assumed the meaning of a vote “against reaction” and even for defense of the gains of the “revolutionary process,” especially democratic rights. This was manifested above all in the zones in which reaction is most active. On the other hand, the SP lost the most votes — to the CP — in the districts with strong proletarian compositions in which the experiences of struggle, workers control, and land occupation had been most generalized and advanced and in which the resistance to capital's counterattack was strongest: Evora, Portalegre, Setúbal, Lisbon, and Beja. The change in the

SP vote is a reflection of three phenomena, the combination of which led to a 3% decline in the SP total; a shift to the PPD, which resulted essentially in the SP's loss of the votes it had garnered in 1975 on the basis of erecting a "barrier against communism"; a shift to the CP in the workers zones and the areas of large-scale agricultural enterprises, where people were voting against the economic and social policy of the sixth government; a strengthening of the SP in the most politically backward regions (Braga, Viana do Castelo), where the SP did pick up some of the vote that had gone to the pro-CP MDP in 1975), where the SP gathered the fruits of the slow progress in class consciousness and resistance to counterrevolution. 7.

Electoral, the very breadth of the territory occupied by the SP makes this party suffer the effects of social polarization. This also gives an impetus to tension within the Social Democratic ranks.

On the one hand, while significant layers of wage-earners and militant trade unionists voted SP in the hope of defending their social gains, the leadership of the SP declared: "It is necessary to explain to the working class and the trade-union leaders that they must limit their demands in a realistic manner. If social agitation continues and if productivity declines, this can only benefit the right." (Mario Soares in *A Luta*, April 29.) Such a statement recalls the reactionary imprecations of the British bourgeois journal *The Economist*, which wrote in an editorial in its May 1 issue: "The (economic) problem can be alleviated by economic help from abroad. But however much money the EEC and the United States might make available in credits and easy loans, someone in Portugal will have to carry the can for the economic hardships that lie in store as the country tries to recover from its last two years." And Soares has said who that someone is: the Portuguese proletariat. Such an orientation can only stimulate discontent among the trade-union militants of the SP.

On the other hand, in face of the strengthening of the offensive of capital and reaction, a tendency toward unity is taking root among the workers and collides with the policy of the SP leadership with respect to the CP. The united demonstration of trade unions influenced by the SP and CP on May Day concretized this pressure for unification among the ranks of the proletariat with all its implications, including its implications for the formation of a future government. But it is also true that a part of the SP electorate, to whom the party leadership is sensitive, voted SP as a way of pronouncing themselves for an SP-PPD coalition. This antimony is certainly not one of the smallest factors impelling Soares to be so insistent in proposing a purely SP government.

For the moment, the SP finds itself facing yet another difficulty: the presidential election. The Soares leadership had indicated its agreement with the choice of a "military candidate of national unity." But after these elections, the insistence of the right, which is a minority in parliament, on nominating an "army strongman" is throwing the SP off balance, for the SP's choice will

be analyzed by a part of its own rank and file in terms of the possible support the PPD, and maybe even the CDS, could extend to such a candidate.

The right had hoped to cut the CP down to size electorally. The aim was to isolate the Communist party so that it would no longer be the party of the working class and the agricultural workers. This project failed. Granted, the CP picked up some of the former votes of the MDP, which did not run in the elections, stepping down in favor of the CP. But these votes were dispersed in three directions: SP, CP, and far left. In addition, the CP picked up some of the votes that had gone to the centrist organizations like the FSP (Frente Socialista Popular — Popular Socialist Front) and MES in 1975. Nevertheless, the most significant results were obtained in the proletarian bastions, where the CP stood in the lead: 43.99% in Beja, 43.04% in Evora, 44.34% in Setúbal. Likewise, the CP advanced in other districts of the South, where its scores were not at all negligible: 21.94% in Lisbon, 22.01% in Portalegre, 16.07% in Santarém.

The CP, whose trade-union base runs deep, was confirmed as the party rooted in the backbone of the Portuguese working class (the Lisbon industrial belt and the Alentejo), which poses even more sharply the question of the unity of the proletarian ranks. On the other hand, the CP's positions in the North are very weak.

During the preparations for the elections, the CP cleverly made people forget its refusal to stimulate a united response to the employers' attack, putting the emphasis on the theme of the "left government that, together with the Council of the Revolution, will defend and consolidate liberty and other conquests." (*Avante*, April 29.) The CP thus responded to the unitary sentiment of broad sectors of the masses, and this was combined with its partial opposition to the sixth government. Moreover, the CP continued to stress this less delicate theme rather than that of the designation of a general as president of the republic. In fact, while able to accept a candidate of "national unity" such as Army Chief of Staff Eanes only with difficulty, the CP nevertheless does not want to frontally oppose a choice that would obtain a rather broad consensus among army circles. Especially since today it is not as easy to play on the various tendencies in the army as it was in the autumn of 1975.

The far left marks time

The electoral subsiding of the far left reflects the retreat of November 25, which was also expressed in a strengthened tendency to "make your vote count," which aided the CP and, marginally, the UDP, the only organization left of the CP with a deputy in the Constituent Assembly.

A part of the "revolutionary left" paid the price for its pre-November 25 policy and its turn toward an orientation of "struggle against fascism" without any precise differentiation from the CP or real alternative to it. In

1975 the MES received 57,682 votes; this time it got 30,984. In 1975 this was how the MES characterized the electoral results, which gave 58% of the vote to the parties claiming allegiance to the working class: "(The elections) could only have favored the bourgeoisie, politically represented by the employers' party that is the PPD and by the Social Democratic leadership of the SP. . . . The SP may receive many votes in the bourgeois ballot boxes, but it has nothing to do with the trade-union struggle of the workers; before and after April 25, 1974, it has had nothing to do with the most important struggle experiences of the workers." (Esquerda Socialista, May 7, 1975.) This time, the MES headlined: "The people have voted against fascism." The MES weekly Poder Popular continued: "The majority of the Portuguese people have rejected the fascist and fascist theses of the rightist parties. Nevertheless, the growth of the CDS shows that fascism is a real threat. The SP losses reflect the weakening of Social Democracy. But the SP has a very broad electoral scope, which reflects its influence among the hesitant petty bourgeoisie, which was not led along by the working class but nevertheless did not adhere to fascism." (May 4, 1976.) Given the line of its analysis of the "fascist threat," its characterization of the SP, and its lack of understanding of the process of development of class consciousness, the MES is incapable of appreciating the real significance of these elections and the reflection they offer of the relationship of social forces in Portugal. Moreover, a prisoner of its own triumphalist sectarianism, the MES declared: "The present political situation, the illusions upheld among the masses by the reformists, while they hit us electorally, reducing our vote to that of the clearly militant voters, . . . does not hurt us; on the contrary, it strengthens us on the decisive terrain of the workers and trade-union struggle." (Poder Popular, May 4, 1976.) Within the far left, the UDP, a Maoist organization (see INPRECOR No.49, April 15) confirmed its dominant role and its growing implantation in the Lisbon industrial belt and in the Alentejo. It received 91,084 votes. It took advantage of the right turn of the CP after November 25, 1975, and thus succeeded in acquiring some influence in the bastions of old communist tradition, where the themes of the antifascist struggle and a certain "economist radicalism" are deeply rooted.

As for the Liga Comunista Internacionalista, sympathizing organization of the Fourth International, which was barred from the airwaves for one week during the cam-

paign on the grounds of "attacking the Council of the Revolution," it won 16,186 votes (up from 10,732 in 1975). The audience for the campaign of the Trotskyists was undeniable, and the response was real to themes such as the convocation of a democratic congress of the trade unions, the denunciation of the pact between the political parties and the Council of the Revolution, and the raising of the slogan "For an SP-CP government directly responsible to a democratic congress of all the unions." (See INPRECOR, No.47/48, April 1.) As for the Partido Revolucionario dos Trabalhadores, which claims allegiance to the Fourth International and ran in the elections for the first time, it won 5,144 votes. Its central slogan was "For an SP government without capitalists or generals."

At a time when almost all the organizations of the far left are trying, without great chance of success, to present ex-general Otelo de Carvalho as a candidate for the presidential elections, the LCI insists on the need to oppose the generals with a "workers candidate expressing the unity of the workers and able to advance that unity." In addition, our comrades denounce "the accords out of which a candidate will emerge having constitutional powers that annul the constitution. . . . This system of power is intended to allow the military hierarchy and the bourgeois parties to win in the ministries what they lost in the elections." (LCI press conference, A Capital, April 30, 1976.)

The crisis is open

The electoral results achieved by the parties and organizations of the workers movement lend full importance to the designation of a candidate for president of the republic. There are many who would like to see a candidate of "national unity," but the absolute majority won by the SP, CP, and far left complicates this choice.

In fact, this year's electoral results are not being read the same way as last year's. In the wake of November 25 and the political offensive of the PPD and the CDS (even though these parties now need a broad coalition more than ever), the workers are strongly tending to add up the votes under two columns, SP-CP on the one hand and PPD-CDS on the other. This proletarian reflex upsets more than one clever parliamentary calculation. Thus, a good part of the discussion around a choice of a military candidate for president of the republic centers on the orientation the future candidate will adopt on the question of what kind of government to form, since the president plays a decisive role in this domain.

Thus, with 53 percent of the vote going to the workers parties, it is no accident that Costa Gomes is again being proposed by various currents as a possible candidate. It is common knowledge that he leans toward a "left government." The leadership of the SP has hastened to make known its disagreement with such a solution. In spite of the embarrassment caused by the PPD's excessively overt support for the present chief



of the general staff, Soares is aiming at Eanes, who, it is said, would be prepared to accept the formula of a minority SP government. Moreover, this formula may draw some support from the constitution, article 198 of which assures a certain stability, at least institutionally, to a minority government (the double barrier to motions of censure, for example). The "left current" in the SP leadership is sensitive to the pressure for unity from the ranks of the workers. It is therefore proposing a cut-rate alliance with the CP that takes on the air of blackmail. Antonio Reis, for example, declared: "The CP faces a difficult dilemma: either it allies with the right to bring down a democratic left government in which it does not hold posts; or, given the impossibility of explicitly supporting a government that dispenses with its presence, it abstains in the legislative assembly, making it possible for an SP government to stay in office." (Opção, April 29.)

For the moment, the CP is pressing full steam ahead in its offensive for a "left government," especially since it can point to its own "electoral advances" and the relative decline of the SP. On May 6 Alvaro Cunhal affirmed at Campo Pequeno: "The CP once again clearly declares that it will not support an attempt by the SP to govern alone." It is thus trying to take advantage of the pressure for unity, with all the repercussions this can have on the ranks of the SP. Further, by emphasizing the necessity of a "left government" without openly counterposing anyone at all to Eanes, the CP also suggests that it would not be displeased by the designation of Costa Gomes. The CP has also taken care to state its clear refusal to support Carvalho. In addition, there is always Azevedo, who may still spoil the party by running himself.

Designating the present chief of staff as the president would imply that a replacement would have to be found for the military post. This is another delicate question. Eanes had built his authority on the role he played in the November 25 operations. The choice of a general as president and the replacement of the general may once again exacerbate divisions among the leading cadre of the army. This is another facet of the crisis of bourgeois leadership. After first presenting Firmino Miguel, a good old Spínolist implicated in the attempted civilian coup of September 1974, the general staff had to back down. They were unable to arrive at a broad consensus. The name of Rocha Veiro is now being bandied about.

In the final analysis, all this shifting about, even if it ends up in the nomination of Eanes to the presidency, reflects the permanence of social instability and the maintenance of the capacity of the workers to fight back, which was confirmed by the elections. The defeat of the right in the elections may therefore create a context that makes it easier to transform defensive struggles into a new offensive of the workers. This is not one of the smallest fears of the Portuguese bourgeoisie and its officers.

May 6, 1976



**ARIAS
NAVARRO'S
SPEECH**



**a voice
from beyond
the grave**

We are publishing below the response of the Liga Comunista Revolucionaria/Euzkadi ta Askatasuna-VI (LCR/ETA-VI — Revolutionary Communist League/Basque Nation and Freedom-Sixth Congress) to the programmatic speech of Spanish Prime Minister Arias Navarro, which was given on April 28. For an analysis of the referendum referred to, see "The Bourgeoisie on the Run," INPRECOR, No. 50, April 29, 1976.

"The spirit of April 28" is haunting Valle de los Caídos. A voice from beyond the grave has just repeated the umpteenth version of the Francoist message. Arias is no longer the heir of the dictator; he is his medium.

The "battle of the referendum" that has been waged by the various political factions during the past several weeks has resulted fundamentally in new victories for the far right: on the date of the referendum (October instead of June), the essential instrument of the reform (the Cortes instead of the government), and even the content of the reform (maintenance of the principal institutions of the regime, the National Council, the Council of the Kingdom, etc.). And above all: the proclamation of the illegality of the whole workers movement, implicitly including the Social Democracy in this illegality.

Thus, Arias's speech represents a real demonstration of the powerlessness that, instead of freeing up the government's action as had been claimed by the reformer ministers, extends the freeze to its ultimate consequences. The "Francoist reform" is no longer but a fessile.

In addition, a series of events that preceded and went along with Arias's speech show that "tolerance" is in the process of wearing down. Incapable of in any way preventing mass action from outstripping all concessions, the government has taken a step backward, as can be seen in the new wave of repression during past weeks: machine-gunning of several militants of the ETA; murder of Oriol Sole, Suarez, Peredo, Garmendia; torture of militants of the Communist Youth; dissolution by the Guardia Civil of the assembly in Durango of the Coordinating Committee of workers commissions of Euzkadi; application of the antiterrorist decree; the new law against pickets; detention of workers of factories in struggle; rejection of all permits for the May 1 demonstration; suspension of the activities of the Council of Workers of Navarra, and so on.

The entire Francoist repressive apparatus, machine guns in hand, bars the road to "democracy, Spanish-style."



Under these conditions, the so-called negotiated break (ruptura pactada) proposed by Santiago Carrillo (head

of the Communist party) clearly reveals its role of paralyzing the only force capable of putting an end to Francoism and winning freedom: the mass movement, with the working class at its head. It is the general strike against the Francoist monarchy and not any sort of pact that will break the chains of our people.

The preparation and organization of this general strike must be the objective of all the current struggles. And for this it is necessary to forge in action the workers united front against the dictatorship and against exploitation, maintaining the most absolute political and organizational independence of the workers and the people from the bourgeoisie.

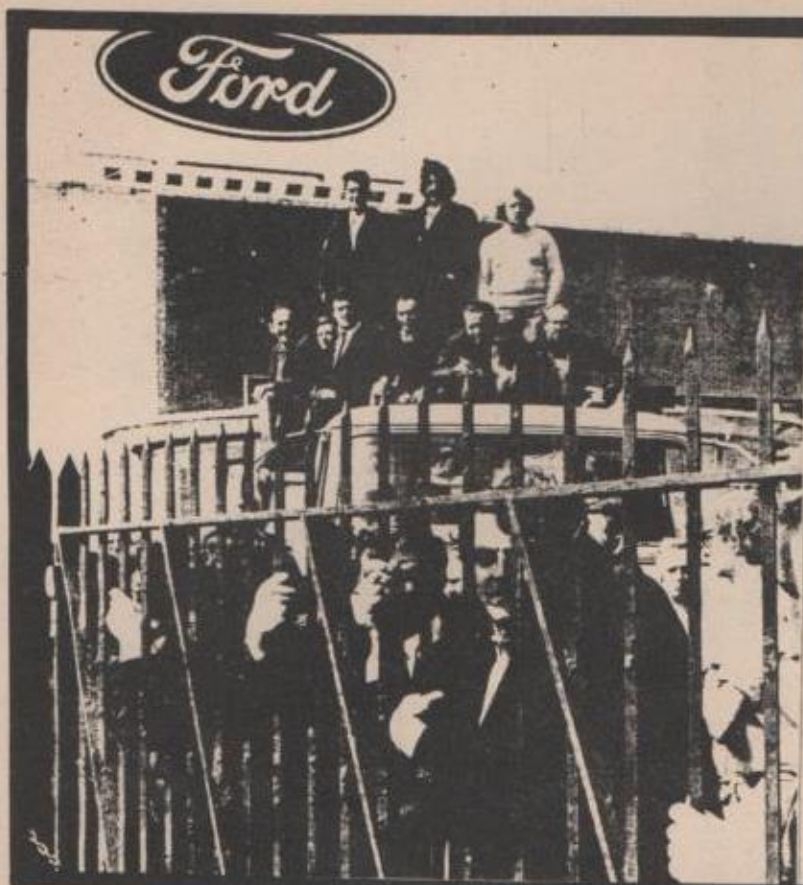
The referendum has been announced for October. Since nothing can be expected of this referendum, if it in fact even takes place, it would be absurd to sit around and wait for it. We must immediately seek the necessary united response of the workers movement to what constitutes a real political provocation. This response must include the slogan for the active boycott of the referendum, to be raised in the factories, on the construction sites, in the schools, the neighborhoods, etc., utilizing all forms of mass action, coordinating and centralizing all the representative organs of the workers and people's movement, particularly the elected committees and the workers commissions, and all the workers and revolutionary nationalist organizations. Against the puppet democracy of the government, which maintains thousands of our best comrades in prison or in exile: for amnesty, unrestricted democratic rights and liberties. Against the Francoist reform and any maneuvers around "coalition government" or "constituent period": immediate election of a Constituent Assembly by universal suffrage with the right to vote at age sixteen. Against the farce of the "regional commissions": immediate election of sovereign national assemblies that guarantee the free exercise of the right of self-determination. Against the fake trade-union congress of the corporatist bureaucracy: a congress of workers unity that defines the orientation of the workers movement in its ongoing struggles, centralizes the definitive effort toward the general strike, and prepares a national constituent congress with the fall of the dictatorship.

Finally, against suicidal compromises with any sector of the regime and against the desire of the entire bourgeoisie to maintain the essential part of the Francoist repressive apparatus in one way or another: dissolution of the repressive bodies, purge of the army.

These slogans sum up the response that must be immediately organized against the Francoist monarchy. None of the "necessary measures" that Arias has threatened to use will be able to prevent this response from triumphing. The task of all revolutionaries is to hasten the hour of victory.

Down with the Francoist monarchy!

April 30, 1976



BRITAIN AFTER WILSON

The following interview with Alan Jones, a member of the Bureau of the International Marxist Group (IMG), British section of the Fourth International, was taken in London on May 10, 1975.

QUESTION. WHAT IS THE ECONOMIC BACKGROUND TO THE CURRENT WAGE NEGOTIATIONS BETWEEN THE GOVERNMENT AND THE TUC (TRADE UNION COUNCIL)?

ANSWER. The most important point is the collapse of profits during the past few years, especially 1973-75. Between 1963 and 1973 the rate of profit in British industry fell by 50 percent, and between 1973 and 1975 it fell by half again. In spite of the economic crisis this produced, until the winter of 1974-75 the working class managed to maintain its standard of living, which went up 8 percent during the year following the fall of the Heath government in autumn 1973.

The economic situation remains disastrous for the bourgeoisie despite the fact that since the important defeat of the working class in summer 1975 the standard of living has fallen 6 percent and unemployment has risen to 1,250,000 without any serious working-class resistance. For the first quarter of 1976, for example, profits in real terms were half of what they were in 1964. There are now recommendations for a 3 percent cut in workers' living standards by means of limits on wage increases and another 5 percent cut by means of tax charges — and still without any improvement in the economic situation for the bourgeoisie. The rate of inflation would re-

main about 10-12 percent a year and unemployment would not drop below 1 million. The rate of profit would still be lower than the 1973 level. Despite the fact that industrial production will rise slightly, there is no fundamental improvement in the basic situation. Any serious class offensive would throw the economy into the worst crisis since the 1930s. And the bourgeoisie will have to continue its attacks against the working class simply to try to stabilize the situation temporarily.

Q. WHAT ABOUT THE POLITICAL BACKGROUND TO WILSON'S RESIGNATION?

A. In spite of the economic crisis, the political parties of the ruling class are unable to engage in any serious direct test of strength with the working class of the type Heath attempted from 1970 to 1973. These parties are weakened by the crisis in northern Ireland, the rise of the Scottish Nationalist party (which reflects the division in the ruling class itself), and the fact that since the fall of the Heath government no section of the ruling class is confident about the results of a test of strength with the well-organized sections of the working class. In this situation, the ruling class has placed all its hopes in the Labour bureaucracy. Since the summer of 1975, with the introduction of wage controls, this bureaucracy has been carrying out an offensive against the working



Political-
ection of

class, and the combination of this and the depth of the economic crisis has undoubtedly created confusion and disorientation within the working class. For example, in the nine months since the imposition of wage controls, the number of strike days has fallen to the lowest level since 1938. Among some sections of the working class — construction workers, dockers, Chrysler workers — there have been serious defeats as a result of unemployment, bureaucratic repression, and combinations of the two.

But in spite of these setbacks, there are no signs of qualitative defeats of the working class as a whole. People are not leaving the unions; the factory leaderships established during 1968-74 remain intact. Attacks on the trade unions still meet very strong resistance. And since winter 1975-76, there have been slow but sure signs of a new working-class recovery since summer 1975. Last November 26, for example, 20,000 people demonstrated in London against unemployment despite the opposition of the TUC; last March 3,000 delegates attended a conference in London on unemployment called by the Communist party and the left Social Democrats.

In past weeks there have been seven or eight strikes in the motor industry around wages, working conditions, and so on. There have also been eight strikes around the question of equal pay for women during past weeks

and a one-day general strike in Dundee in Scotland against social service cuts. This recovery has also been reflected, in a bureaucratic fashion, in somewhat more activity by the left Social Democrats. In the week before Wilson resigned, for example, thirty-seven Labour MPs abstained in a House of Commons vote on a bill to cut social services; the bill was consequently defeated, at least temporarily. The left Social Democrats have also taken a new initiative to get their program voted on at the next Labour conference. But naturally the left reformists have no intention of making a serious fight even to defend their own program, to the extent that they do find themselves clashing with government policy.

Wilson's resignation was undoubtedly a maneuver, an attempt to head off a new rise of opposition to government policy by putting himself in position to play a somewhat more individual and Bonapartist role, to give the government more protection from attacks from the left. Outside the government Wilson can make demagogic appeals for the unity of the Labour party; inside the government, Callaghan is his hand-picked successor.

Q. WHAT ARE THE GOVERNMENT'S PROSPECTS?

A. A decisive change occurred in the summer of 1975. Until that summer, the Wilson government had attempted to "balance" between the classes, aiding the strategic policy of the ruling class but granting certain short-term concessions to the workers, such as an 8 percent increase in wages, freezes on rents, increased pensions. One of the reasons not to attack the working class, apart from the relationship of forces after the fall of Heath, was the referendum on British membership in the Common Market. Since the referendum (June 1975), the government has waged an uninterrupted series of attacks on the workers. The present government represents a very marginal shift to the right in the bureaucracy, but essentially it is unchanged since summer 1975.

The prospects of this government completely depend on the response of the workers. The trade-union bureaucracy will almost certainly succeed in getting the unions to accept the new round of wage controls. But there is a much larger and conscious minority in the trade unions more clearly opposed to the wage controls now than there was last time.

Furthermore, the government's economic policy — which promises to achieve the wage controls, reduce inflation to 5 percent a year, and reduce unemployment to 700,000 by 1979 — cannot possibly succeed. The danger for the government is that the minority in the trade unions opposed to the wage controls will link up with mounting working-class opposition to the effects of the government policy. If this occurred, it would create a massive crisis in the mass organizations of the working class. Thus, to counter this danger, the bureaucracy is trying to stamp out any resistance of any kind to its policy. For example, a rule has been introduced into the trade-union councils forbidding any activity contrary to the policy of the Labour party and the TUC. Each of the

strikes in the motor industry led to a direct intervention of the top bureaucracy against the struggle. At the Scottish TUC Jack Jones, leader of the 1,750,000-member Transport and General Workers Union, personally intervened against a resolution submitted by one trade council critical of the Labour government. It was like using a sledge hammer to kill a fly. But at the moment, the ruling class does not appear to believe that the bureaucracy can control the situation, despite these measures. For the first time in a year, there is discussion in the ruling class press about the desirability of removing the government, hoping that the combination of wage controls and severe Labour electoral defeats would demoralize and contain the workers.

As for our analysis, we expect a slow but steady rise in the struggles of the workers. The government may fall, perhaps in the winter or spring, amid the increasing indifference and hostility of both classes.

Q. WHAT HAS BEEN THE REACTION OF THE LEFT SOCIAL DEMOCRATS AND THE CP?

A. The left Social Democrats increased their weight in the Labour party during the period of working class struggles from 1968 to 1974. This was reflected in the rise of Anthony Wedgewood Benn, who advocated economic policies based on reflation of the economy, selective nationalizations, planning agreements (investment policies by the government and the capitalists), and workers' participation in industry. An economic policy somewhat similar to that of the Union de la Gauche in France.

Of course, this rise of the left Social Democrats was a bureaucratic reflection of the struggle of the working class from 1968 to 1974. But with the defeat of the working class since the summer of 1975 and a new consensus among the ruling class and the bureaucracy, this current has gone into retreat. Benn was removed from a central post in the government and sections of the left Social Democratic program (which had been put in Labour's Election Manifesto) were removed from it.

But the Benn current retains the support of Labour party activists. For example, at the last conference Benn received by far the highest vote for the party Executive, and the lefts still control the main policy-planning committees of the party. With a new upturn in workers struggles, these forces can be expected to step up their activity somewhat, while avoiding a clear break with the trade-union bureaucracy, which continues to support the government. The perspective for the Bennites is almost certainly that the government will fall in a discrediting manner and then they can make a bid for the leadership of the party.

In practice, the policy of the CP is to attempt to put pressure on the left Social Democracy to play a slightly more active role. But this is bankrupt, since the Bennites are interested in the struggle for the leadership of the Labour party and not in a fight against the trade-union bureaucracy.

Q. WHAT PERSPECTIVES ARE PUT FORWARD BY THE IMG?

A. Our perspectives are to try to centralize the rising working-class struggle against the government and to give it an adequate programmatic base. This means a central campaign around the sliding scale of wages, nationalization of firms threatening redundancies, rejection of cuts in social services, campaign for a program of public works, etc. The perspective advanced by our organization is the centralization of all those forces prepared to fight against government policies into a class-struggle left wing in the labor movement. This means an axis of united actions not merely with vanguard forces, but also with those left Social Democratic workers (and in certain cases CP members) who are prepared to fight against government policies. This fight involves a head-on confrontation with the central sections of the trade-union and Labour party bureaucracy and a continued demand that the Bennites define their positions on the struggles of the workers. On the issues of unemployment, cuts, and wages the struggle remains at a relatively fragmented level. But we have been able to intervene and carry out solidarity with some of these struggles. For example, our comrades were involved in a successful occupation at the Cromwell Smelters Factory in Southwest England and at the Personna firm in Glasgow. We also participated in the national demonstration against unemployment called by the CP last November 26 and we are building the Day of Action on Unemployment and Cuts on May 26.

This fight against government policies meets such direct resistance from the bureaucracy and the potential for crisis in the mass organizations is so clear that the fight has a logic of transforming itself into a struggle around the leadership of the workers organizations, both locally and later nationally.

The perspective we see for the coming months is to attempt to develop all forms of resistance to government policy and to prepare for the crisis within the mass organizations that will accompany any rise in working-class struggles and will assume an explosive form if the government does fall. This means lending priority to work in the trade unions and increasing the number of people in the Labour party and in the Labour party Young Socialists who support the policy of the IMG and would be members of the IMG were it not for the reactionary rule that prevents them from joining the IMG and remaining in the Labour party or Labour Young Socialists.

The major successes we have registered in moving toward a more centralized response have been in the struggle against cuts in the Health Service, where we have been able to form a united front with left Social Democrats and centrist forces which has established a real presence in relation to this fight. On the question of abortion and the Campaign for the Working Women's Charter, the National Abortion Campaign has held two demonstrations of 30,000 and 15,000 in London and the work around the working women's charter has established about thirty local groups. □

Japan



DOWN WITH THE MIKI GOVERNMENT

The following article appeared in the April 1 issue of World Revolution, weekly organ of the Japan Revolutionary Communist League, Japanese section of the Fourth International.

I

The present government crisis, triggered by the Lockheed bribery scandals, has created a situation of severe panic for Japanese imperialism, which already faces a more general crisis because of the rise of the East Asian revolution and the deterioration of the Japanese economy. The Lockheed scandals have upset the plan for a bourgeois offensive that had been in the stage of final preparation at the beginning of 1976.

The bourgeoisie and its ruling Liberal Democratic party had been preparing for a "strong government" that would engage in a general political confrontation with the workers and the toiling masses in order to strengthen the counterrevolutionary U.S.-Japan-South Korea alliance and carry out an overall re-organization of administration and industry, indispensable for an economic perspective of "stable growth." The LDP was engaged in a process of factional maneuvering aimed at creating a post-Miki "LDP strong government," even including the possibility of a "great bloc of Tanaka and Fukuda." (Tanaka was premier before Miki, who presently holds the office, and Fukuda is now vice-premier. There has been a deep factional rivalry between Tanaka and Fukuda within the LDP.) The bourgeoisie and its LDP were making their final decision for a big bourgeois offensive against the workers and other toilers.

But the revelations of the Lockheed bribery, a natural expression of the rottenness of capitalist society, came as a real political surprise for the bourgeoisie and the LDP. The plan for a "strong LDP government" has been dealt a real blow by the Lockheed revelations. The faction of former premier Tanaka had taken the toughest attitude against the general strike of public workers last November and December, demanding that the right to strike be abolished in the public sector. Tanaka's reputation had begun to rise again within the LDP and among the bourgeoisie, in spite of the fact that he had been forced to resign because of his own personal financial scandal in 1974. But the Lockheed scandals have hit hardest at the Tanaka faction, which is the largest faction in the LDP. There is now even talk that the faction will be dissolved.



ANTI-LOCKHEED DEMONSTRATORS

In any case, the drive to the "strong government" has been completely upset and the LDP government itself is now in question. The Miki government and the LDP are now trying a holding operation, doing their best not

to reveal the names of the "high officials" involved in the bribery, to conceal all the materials in the name of defending the secrecy of the investigation, and to attempt to ride out the storm. They are trying to divert popular attention from the Lockheed scandal to the question of the government budget for April 1976-March 1977, which is now under debate in parliament, arguing that a delay in the budget legislation damages economic recovery and is thus harmful for the entire population. But popular anger is deepening and this anger prevents the opposition parties from making a cheap compromise with the LDP government around the Lockheed affair.

The situation triggered by the Lockheed revelations has now reached a new stage. The central question now is the question of a new government, and the LDP is unable to take any decisive initiative on this point. The Miki government is virtually sure to fall. The working class faces the choice of whether it will bring down the Miki LDP government through massive direct action and struggles for a workers and peasants government or whether it will accept a parliamentary solution to the crisis through the dissolution of parliament and a new general election. All the opposition parties, including the traditional workers leaderships, are utilizing the explosion of popular anger precisely to force Miki to resign or dissolve parliament. They insist on remaining within the limits of "parliamentary democracy."

What are the opposition proposals for a new government? The Socialist party calls for a "caretaker government of all the opposition parties to prepare for general elections." The Communist party proposes a caretaker government of the SP, CP, and Komei party (a petty bourgeois Buddhist party), excluding the DSP (Democratic Socialist party, the right-wing Social Democratic splinter party), a government that would hold out the possibility of accepting "dissidents" of the LDP. Thus, the SP and CP propose to form a cabinet whose task would

be limited to organizing general elections in order to defend parliamentary democracy. The Komei party criticizes the SP for this policy and complains that the composition of the caretaker cabinet proposed by the SP is not sufficiently clear and definite. The Komei party's orientation, however, is quite clear and definite: It calls for a center-left bourgeois government composed of Komei, the DSP, and a right-wing faction of the SP, excluding the CP and holding out the possibility of a bloc with the LDP.

II

For the Communist party, the "caretaker government for general elections" is a tactical step toward a popular-front government based, of course, on bourgeois parliamentarism. The DSP and the Komei party stand foursquarely for a bourgeois center-left government. The SP, which stands midway between the CP and the DSP-Komei bloc, wants to gather together all the opposition parties in an eclectic manner, while the right-wing faction of the SP, led by Eda, a vice-chairman of the party, has rebelled against the party leadership and supports the DSP-Komei orientation. In spite of the differences among these parties in the parliamentary opposition, they all form a de facto united front to prevent the working class from developing actions to overthrow the Miki LDP capitalist government.

The SP and CP leaderships fear that the immense energy of the workers in the annual spring campaign for wage increases may break through the wall of parliament. The SP and CP do not try to mobilize the workers in their fundamental economic struggle to overthrow the capitalist government, fully utilizing the explosion of popular anger around the Lockheed scandal. The intentional separation of the workers struggles in defense of their economic interests from the struggle to overthrow the capitalist government through a campaign against the Lockheed bribes confines the economic struggle to the limits of trade unionism and economism. It thus deprives the workers' economic struggle of its perspective, making the annual spring campaign a bleak one. As a result, the Sohyo* is increasingly inclined to "avoid a confrontation." The weight of the right-wing trade-union bureaucracy in the heavy industries has thus tended to increase.

On March 24 the pro-imperialist trade-union bureaucrats of Domei** and the IMF-JC (International Metalworkers Federation-Japanese Commission, an international federation coordinating rightist unions in steel, shipbuilding, heavy machinery, automobiles, etc.) formed a Com-

*Sohyo is the left trade-union federation, the majority of whose leadership is Socialist. It is strong in the public sectors, such as the national railway, the postal and telephone system, among the teachers, etc.

**Domei is a right-wing trade-union federation that is strong in the private industrial sector. Politically, Domei supports the DSP.



Union members and other employees demonstrating at Maruheni Corp. offices to protest the trading firm's reported involvement in the Lockheed affair.

mittee to Discuss About New Japan. Politically, these union bureaucrats support the formation of an SP-DSP-Komei bloc with a center-left orientation. In the trade-union movement they bureaucratically cooperate with the bosses to oppose the workers' efforts to defend their economic interests. On March 25 Domei shamelessly stated that it favored rapid approval of the government's 1976-77 budget. (At the time, the opposition parties were boycotting the parliamentary debate on the budget; the budget was adopted on April 9 by a majority composed of the LDP and DSP.)

The tactical line of the Sohyo during the present spring campaign is two-sided: first, to prevent any confrontation with the government and the bourgeoisie, and second, to push forward demands centered on problems of the system of management and company structure (demands for "structural reforms" on the railway, for example). Even after the Lockheed revelations and the decisive crisis of the Miki government, the Sohyo leadership has obstinately continued to follow its original reformist tactical line for this year's spring campaign. In spite of the government crisis, the Sohyo leadership never tries to make use of the situation to mobilize the workers for a direct intervention into the political situation. As far as the campaign around the "system-structure" demands is concerned, a series of actions beginning in late 1974 and the last public workers strike in defense of the right to strike did not win any serious gains for the workers, and the first half of this year's spring campaign will offer the same lesson. For such a reformist campaign to be at all effective, three conditions would have to be met: 1. Capitalism would have to have room to grant concessions. 2. The bourgeois government would have to be stable enough politically to deal with the demands. 3. The bosses and the trade-union bureaucrats would have to have established close cooperation. The end of the period of rapid economic growth has removed the first condition. The Lockheed scandal has demolished the second, throwing the Miki government into crisis; and the 1975 spring campaign, along with the November-December 1975 strike of public employees in defense of the right to strike has blown up cooperation between the bosses and the union bureaucrats. Thus, there is no realistic base for such a reformist campaign for demands around the management system and company structure. In fact, the reformist orientation is going so far as to say: "The unions will force the workers to accept sacrifices, so the capitalists and their government should also accept some sacrifices." As for wage increases, during this year's spring campaign, the Sohyo leadership has from the very outset declined to take any initiatives. Its tactic is to have the big right-wing unions win some wage increase on a class-collaborationist basis and then have the unions of the public employees put pressure on the government to accept the same increases for the public sector.

Thus, we are now facing a very contradictory situation. The LDP government is in serious crisis, but at the same time the bourgeoisie and the government believe that they can maintain their strong stand against the workers throughout the spring campaign.



Buraku League demonstration

III

But it is quite clear that the workers themselves are moving toward a "Lockheed spring campaign" and a course pointing toward the overthrow of the government. The workers, who had been deprived by the reformist leaders of any political perspective at the beginning of this year's spring campaign, have been activated by their anger over the Lockheed scandal, and their offensive feeling is on the rise. There have been many and vast actions by the machineworkers union, by Sohyo-Churitsuroren,* and by the SP-CP-Komei against the Marubeni trading company and the right-wing boss Kodama (Marubeni and Kodama have been directly implicated in the Lockheed bribes). All these actions, as well as other similar local actions, have stimulated the militant feelings of the workers. On March 19 some 50,000 young trade unionists gathered at a mass rally called by Sohyo's youth coordinating committee. These young workers assembled under the slogans, "Denounce the Lockheed bribery," "For a general strike," and "Down with the Miki government." They criticized and denounced the official reformist line of Sohyo in the spring campaign. The young workers are now tending toward full-scale struggles. The aim of the Sohyo leadership in initiating the anti-Marubeni campaign was to use the Lockheed revelations within the limits of economism. But the young workers and other militant layers are becoming convinced that the working class should take a decisive initiative in a fight to overthrow the government. "Without a definitive fight against the Lockheed bribes, no 1976 spring campaign is possible" — that is the slogan that expresses the consciousness of these workers. Our revolutionary current must stand at the head of the "Lockheed spring campaign." The central slogan in our propaganda, agitation, and organization is "Combine the anti-Lockheed bribery campaign with the workers' fight to defend their economic inter-

*Churitsuroren is a third trade-union federation, which stands between Sohyo and Domei; ordinarily it makes a united front with Sohyo. It upholds "genuine" trade unionism and has its main base in the electrical workers union.

ests! Overthrow the Miki capitalist government with a general strike!" In all the factories, shops, and neighborhoods, we are against the SP, CP, and Sohyo leaderships, who intentionally separate the anger and actions against Lockheed from the workers' struggles for wage increases, against layoffs, and against the financial exploitation of the popular masses. We must fight for the combination of the two into a working-class struggle to overthrow the government.

But the fall of the Miki cabinet is now only a matter of time and the question of the new government is thus central in the present situation. Therefore, the slogan "Down with the Miki capitalist government" is not enough. The working class must also pose the question of a new government.

The whole process around the Lockheed bribery has revealed not only that the capitalist system is deeply corrupt, but also that the bourgeois government and parliament cannot clean up this corruption. We must arm the masses with the idea that the workers have to build their own government with their own forces in order to lift the veil of secrecy that now covers the bribes. The guilty parties must be exposed and a popular trial must be held.

We must call for a government that cleans up bribery, defends the living standards of the toiling masses, and nationalizes all key industry under workers control. Such a government must publish all materials relating to the "high government officials," all the secret diplomacy, and all the business secrets of Marubeni and other companies involved. Such a government must oppose layoffs and wage cuts by introducing a sliding scale of wages and hours.

Such a government must oppose the capitalist restructuring of administration and industry and nationalize all key industry without compensation and under workers control. The workers must control all the shops and factories. Against the massive layoff of railway workers and the large fare increases on the railway system. For uniform nationalization of all transport systems. (Besides the national rail system, there are also local private railways, both public and private bus lines in the urban areas, etc.) Nationalize all the banks and insurance companies in the interests of the workers and farmers. Nationalize all key manufacturing industries.

Such a government must immediately and unconditionally recognize the right of the public workers to strike. It must guarantee the strengthening of the political unity of the working class and its alliance with other oppressed popular masses.

We counterpose such a government to any sort of center-left capitalist government or class collaborationist popular-front government. We demand that the SP and CP drop their call for a "caretaker government for general elections." We demand that they break all their relations with the bourgeoisie and its state power and begin the working-class struggle for a workers government.

IV

We demand that the SP, CP, and Sohyo leaderships form a united front to overthrow the Miki capitalist government through the forces of the workers and other oppressed popular masses, a united front open to all militant currents and groups and to all the popular masses. We must pose the formation of this united front in all factories, shops, and districts.

We must work to form district united-action committees to fight against the Lockheed bribes and to defend the economic interests of the workers and other masses. We must begin to build district-level action groups for the general strike. The formation of these district-level united-action committees is extremely important in realizing the general strike to overthrow the Miki government and in fighting against bureaucratic control of the national united front by the reformist leaderships.

We must actively prepare the militant ranks of workers in the shops and factories to prevent sabotage by union bureaucrats.

We must assemble militant worker activists for a confrontation with the bourgeoisie and its government in the shops, factories, and districts.

Only united initiatives by these militant worker activists can strengthen the working masses and build rank-and-file organs of mass struggle.

The struggle of the Japanese working class to overthrow the capitalist government and to form its own government can deal a deadly blow to the Park Chung Hee military dictatorship in South Korea. When the Japanese working class advances in its powerful struggle for its own government, the South Korean workers and peasants will move closer to their own general uprising against the military regime. As for the Buraku masses (Japanese "outcasts," an oppressed minority), when they join the workers struggle to overthrow the capitalist government, the Buraku liberation movement will make a big advance in its fight against the discriminatory policy of the bourgeois state power.

Concentrate all demands and struggles in the fight to overthrow the Miki government! For a government that will implement all the demands of the workers, peasants, and other oppressed popular masses! Denounce the Lockheed bribes! Victory to the workers spring campaign! Down with the corrupt capitalist government! Down with the Park military dictatorship! Support the March 1 declaration of the South Korean oppositionists! Overthrow the Miki government with an unlimited general strike and massive demonstration at parliament! Form the workers united front against the Lockheed bribes, for defense of the economic interests of the workers, and for the overthrow of the capitalist government! Against the caretaker government for general elections! For an anti-imperialist and socialist government of the workers and peasants!

March 25, 1976

INDIA: THE JUNE 1976 BUDGET

by M. NAVEED

The basic aim of the 1976 budget has been to try to economically capitalize and consolidate the temporary advantages the bourgeoisie has achieved against the mass movement, particularly the working class, since the imposition of the State of Emergency on June 26, 1975. Various bourgeois economists have hailed this budget as "unique," and in a sense it is. Hitherto, the relationship of class forces has compelled Indian budgets to seek to strike a balance between strengthening the private sector of the economy on the one hand and maintaining a mass appeal (through high direct taxation rates, etc.) on the other hand.

Within the fundamentally capitalist economy of India, government planning and budgets have had two aims:

- 1) to establish a basic infrastructure of communications, educational institutions, steel, etc, which could underwrite the expenses of a private sector unable or reluctant to initiate such high-capital-cost, low-profit ventures that were nevertheless vital for its expansion;
- 2) to partially subsidize distribution of mass consumption goods and provide employment opportunities in the public sector. This orientation shifts in accordance with the strength of the mass movement relative to the bourgeoisie.

The first task has been largely accomplished and the "burden" of the second has been weakened by the partial defeats of the working class, particularly in the railway strike and the Emergency. Indian planning is moving to a new phase, signified by its "unique" budget. Indian planning increasingly sees itself playing a classical Keynesian role of stimulating free enterprise growth and is dropping even its pretensions of seeking to redistribute income and help resolve the basic problem of the masses, poverty. That government planning has been able to do this is undoubtedly due to the favorable shift in the relationship of forces for the bourgeoisie, reflected primarily in the aftermath of the Emergency.

Class imperatives of the Emergency

The post-emergency political imperatives have been translated into the economic imperatives of the budget.

The JP (Jayaprakash Narayan) movement* revealed certain conflicts and contradictions within the bourgeoisie, albeit of a secondary character basically related to what would be the best political arrangements for providing unhampered capitalist growth. The swift action of the state in imposing the Emergency resolved the problem for the bourgeoisie. Conflicts and contradictions among the monopoly houses that had reflected themselves in separate political backings (for example, Goenkas's backing of JP and the support of the regional/middle bourgeoisies in many cases for the anti-Congress components of the JP coalition) disappeared overnight. The whole bourgeoisie has rallied to the support of Indira's Congress government, recognizing her success in pulling off the Emergency. To stabilize and consolidate this support and to take advantage of the conjunctural political and economic factors (reversal of inflation), the budget has granted widespread fiscal relief to the bourgeoisie in the hope of stimulating capitalist investment and growth.

Apart from the big and middle/regional bourgeoisie, the regime has an important base in the urban petty bourgeoisie. This base acts as a buffer between the ruling elite and the working classes. Prior to the Emergency, its support had been going to parties like the Jan Sangh (JS — a fascist-type party based on Hindu culture and national chauvinism), whose chief potential was its trouble-making capacity for the ruling classes. This party, whose social base is the urban petty bourgeoisie, had been gaining strength and even making some inroads into the urban working class. Admittedly it offered no clear program, but then neither did any non-Congress party of the right or left. At least the Jan Sangh, along with the SP (a wing of which is engaged in underground terrorist activities) represented some form of organized opposition to the state. Its destabilizing and mischief-making capacity was clearly recognized, and this is

*The Jayaprakash Narayan Movement, named after its founder and principal spokesman, was launched in 1974 in an attempt to build a massive opposition to the Congress party government of Indira Gandhi. In fact, the movement was a coalition of the Communist party (Marxist), the Socialist party, some splittoffs from the Maoist Communist party, the Jan Sangh, and sectors of a split from the Congress party. It aimed at overtaking the government among the population by basing itself on the discontent of the masses.

why the post-Emergency period has been primarily characterized by the imprisonment and hounding of the militants of the Jan Sangh/RSS (military wing) and the SP.

The Emergency was welcomed by the social base of the JS — the urban petty bourgeoisie. But this welcome was based primarily on the "return to law and order," "no strikes," the fact that "the trains are running on time," and so on. The economic interests of the urban petty bourgeoisie had been marginally improved by efficient transport of goods for shopkeepers, etc., but they had not been directly influenced. The budget, therefore, had also to consolidate the gains among the petty bourgeoisie by economic handouts. This, too, was an economic imperative of the budget.

Now let us look at the budget itself.

Taxation

The most visibly striking feature of the budget is the dramatic reductions in direct taxation rates on personal income and in wealth tax. The reductions are of a progressive nature in that the better off one is the more one benefits. The maximum marginal rate of income tax has come down from 77% to 66%, and its level of application has been raised from 70,000 rupees to 100,000 rupees per year. For wealth tax, the highest rate is fixed at 2.5% and additional wealth taxes on urban lands and buildings have been discontinued. The measure of the new blatant orientation toward the rich and the middle class is best reflected in the fact that in the two years from 1974 to 1976, the MMR (maximum marginal rate) has been brought down from 97.75% to 66% and the wealth tax from 8% to 2.5%, with threshold levels raised in each case.

The rationale provided for these cuts is that a more "realistic" tax structure will reduce tax evasion and lead to incentives for saving. What can one make of this rationale? In one sense, it is obvious that the amount of tax evasion will fall. After all, if there are no taxes, there will be no tax evasion! The key concept here is the marginal propensity to evade taxes. For a higher collection of taxes to come about one has to assume that this propensity will decrease by a sufficiently large degree to counter the lower overall volume of taxes to be collected. The correctness of such an assumption (one must remember that it will not do if there is merely a fall in the marginal propensity to evade; the fall has to be of a sufficiently large amount) is purely speculative; given the whole trend of tax collection, it is a poor speculation at that.

Similarly, changes in corporate taxes are intended to provide incentives for savings and investments for growth. These include:

- 1) An IA (Investment Allowance) of 25% for acquiring plant and machinery. The IA is to be granted to an extended range of industries comprising both a number of heavy industry core sectors and a number of consumer and small-scale industries.

- 2) A previous surtax of 5% on companies to finance the Bangladesh excursion has been replaced by a scheme whereby the equivalent is paid by companies into the Industrial Development Bank of India (IDBI), which then has increased funds available for industry as a whole.
- 3) The threshold for surtax is raised by 5%.
- 4) Capital gains tax is reduced from 45% to 40%.

Recent business delegations from West Germany and the United States have returned home highly satisfied with the talks they have had about the tax structure on foreign investment. The new budget has attempted to clear the decks for increased foreign investment and collaboration. Among its incentives are:

- 1) Negotiability of clauses concerning fixed proportions of output for export by foreign firms producing in India. Their export obligations (30% of output) can be negotiated downward so as not to compete with their exports from the mother country. Similarly, more profits can now be repatriated.
- 2) In order to attract foreign assets and investments of Indian residents abroad, wealth-tax exemptions and free clauses on loans, etc. have been created.

Indirect taxes already bear the heaviest burden in filling the state treasury. Reductions in direct taxes have shifted the burden further onto indirect taxation, which by its nature fundamentally discriminates against the majority of poor people. Where excise duties have been reduced, they have been in durable consumer goods, which are luxuries for the vast majority. These are industries that cater to the urban elites of India and have been hit by declines in demand. Thus, automobiles, televisions, refrigerators, and so on have been granted significant cuts in excise duties so as to stimulate rich/middle class consumption and thereby production in these industrial sectors.

The government's overall strategy in reforming the tax structure in favor of greater inequality is evident: To increase the share of national income appropriated by the bourgeoisie and the middle classes. But this increasing of the share of the bourgeoisie and the petty bourgeoisie has two different aims. For the petty bourgeoisie, the budget is favorable in regard to consumption, that is, in providing a greater amount of disposable income, which will lead to a greater demand for durable consumer goods. Private savings among this layer is not considered the key basis for further investment.

For the bourgeoisie, both big and middle, the new tax structure has a twofold purpose: first, to increase disposable incomes and wealth holdings so as to provide incentives for furthering capitalist prosperity; second, to increase corporate savings and private investments, primarily through the medium of corporate taxation. In this context the most important measure is the 25% investment allowance, which will seek to promote rapid capital-intensive investment in plant and equipment (since the IA is to come from increased profits). That this will only exacerbate the unemployment in this period of already high unemployment is not a consideration of importance to the state.

It is on the expenditure side, however, that we begin to see the impact of the budget on the working class.

Expenditure

The planned expenditure is budgeted at 78,520 million rupees. This is 32% higher than last year and represents the highest increment in any single year in Indian post-war financial history. But how has this increase of roughly Rs17,000 million been covered, since additional taxation is bringing in only Rs4,800 million? Well, the budgeted deficit is Rs3,200 million, which, if the past two years is anything to go by, will in reality be doubled or trebled. There is another Rs4,800 million that will come from impounding the Dearness Allowances of wage earners for another year. (The DA is a payment to wage earners indexed to inflationary rises in the general price level.) But in the case of Defense personnel, the DA was increased and paid out from September 1975, resulting in a deficit of Rs1,360 million in the defense budget, almost wholly due to the increases in DA and other allowances. This has been done at the same time that wage workers have been deprived of their DA and seen their bonuses slashed by half. The remaining deficit is to be financed by increased reliance on market loans, net profits of state enterprises, and increased dependence on foreign inflows. During the past three years, foreign inflows have gone up sixfold, to about Rs9,400 million for 1975-76. So much for the alleged drive toward self-reliance!

Examining the pattern of public expenditure provides further insights into government strategy.

While the tax reliefs of the government's budget have been aimed at providing incentives to the bourgeoisie as a whole, the expenditure has been geared specifically to the needs of the big bourgeoisie. If planned expenditure for Defense (Rs25,440 million), petroleum (Rs4,850 million), steel (Rs4,020 million), transport and communication (Rs5,970 million), coal (Rs2,770 million), and fertilizers (Rs4,340 million) are added up, we find that two-thirds of total expenditure has been allocated to Defense and the primary sector. In other words, state expenditure has been geared above all to providing a market for the private sector industries producing heavy "capital goods" required by the state. The government has sought to ensure that profits will accrue to the big bourgeoisie and that some of the excess capacity in the capital goods sector will be utilized.

When it is remembered that agriculture is the base of the Indian economy and that Indian poverty cannot be eradicated without agricultural prosperity, the orientation toward industry is a blatant abdication of the government's professed responsibilities to the masses. Agriculture is the basis for prosperity, and what is the government's record?

Examination of statistics shows that the rate of growth of agricultural production has decreased in both aggregate and per capita terms. Aggregate percentage increases per annum have fallen from 3.2% for the period 1951-52 to 1963-64, to 2.3% for the years 1963-64

1975-76. Per capita increases over the same period have fallen from 1.2% to 0.4% per year. When the growing inequalities are taken into account, it is not surprising that relative and absolute levels of poverty have increased. How has the budget followed up the much-vaunted 20-point program with regard to the tasks in agriculture?

The budget's key idea in this sphere is its "Strategy for Integrated Rural Development." What is this "bold, decisive initiative" hailed by bourgeois commentators? More rhetoric about radical transformations? Partly, but not entirely. The rhetoric about the need for "radical practices and radical transformations" is there, but it belies even its name in that no specific strategic policies have been put on paper. What this "Strategy for Integrated Rural Development" amounts to is to provide a new approach to formulation of strategies for better utilization of resources and to evolve new techniques — nothing more than the hoary story of government-sponsored research into development strategies cloaked in a new garb to justify the umpteenth repetition of the exercise. How much has the budget allocated for this "breakthrough"? Rs150 million, or one-tenth of one percent of total government expenditure! Naturally, the only concrete benefit of this allocation will be to provide incomes for middle class intellectuals and bureaucrats engaged in this research.

An interesting point in the budget is its almost total orientation to the urban rich and middle classes and the virtually complete neglect of the rural area. While the government has not ceased its policy of trying to woo the middle peasantry as a buffer against the poor peasantry and the landless laborers, this budget has not made any significant allocation to cover the needs of the rich and middle peasantry. It was expected that rich peasants might gripe over the recent fall in food-grain prices, although the government maintains a level of grain procurement prices. But no solutions have been put forward specifically and directly to help the rich and middle peasantry. There is a minimal allocation for rural-based and small-scale labor-intensive industries, but they are minimal and the government has apparently made a conscious decision to maintain high unemployment levels in villages and towns as a hedge against further inflation.

Government strategy is now more clear. It has opted for industrial growth through low agricultural prices, with exports and higher urban incomes providing the main markets for this increase in production. The strategy with regard to the rural elites is a combination of 1) credit policies of the 20-point agricultural program and the nationalized banking system to provide funds for capitalist investment and increases in rural incomes through increased production rather than higher prices; 2) increased production of durable consumer goods to attract the incomes of the rural rich. But since the government is aware that an internal market cannot be sufficiently enlarged without radical income redistribution, it has re-emphasized exports as the way to utilize excess industrial capacity. The orientation of the budget

can be said to confirm and indeed strengthen a shift of power toward the industrial bourgeoisie in its alliance with the rural rich peasantry and landlords.

Prospects

The major doubt in the minds of the bourgeoisie and the state as they seek to capitalize on the temporary passivity of the mass movement centers on inflation. The government's success in reversing inflation was due to two factors, neither of which will necessarily persist: First, the accidental factor of exceptionally good weather and lack of monsoons led to record levels of output; second and most important, as the bourgeois Acting Director of the Bombay University Economics Department, Professor Brahmananda, said, "It was the immobilization of the growth rate of money incomes of about 20 million workers predominantly in the organized sector that has done the trick." The shrinkage in the real incomes of wage earners had two effects. First, by reducing capitalists' outlay on variable capital it increased the amount of surplus value at their disposal. Second, the shrinkage necessarily affected the prices of wage goods, indirectly cheapening the costs of reproduction of labor-power and partly reconciling the mass of workers to their present conditions. Thus, the bourgeoisie has a class interest in preventing rising inflation and possible rumblings of the mass of workers, even in an unorganized spontaneous manner. The maintenance of high unemployment levels, regular retrenchments and layoffs (more than 150,000 layoffs in West Bengal between June and December 1975) is their chief weapon against the rising militancy of workers in response to future inflationary rises. These inflationary tendencies are built into the budget. Government expenditure can be covered by non-inflationary means only if adequate savings are generated. Moreover, the emphasis on reducing imports means that even this "leakage" is to be stopped up. A little arithmetic will clarify the issue. Government expenditures of Rs78,000 million must be covered by domestic savings and foreign transfers. Assuming that injected foreign resources will be Rs18,000 million (which means increased aid with all its distorting effects on the economy), then Rs60,000 million must still be covered. If we postulate a 5-6% growth rate in national income (to Rs670,000 million), then Rs60,000 million is 9% of this. Private corporate savings are of course separate. Therefore, public savings and financial savings of the household sector must total 9%. For this, agricultural production must increase by 5%, or double the yearly average for the last decade, and industrial production by 8% per year. But as we have already seen, agriculture has been entirely ignored. Any shortfalls will have to be filled in by the other important pillar in the government's growth strategy: the inflow of foreign resources through aid and investment to cover an estimated 20% of savings/investment needs through joint ventures, collaborations, etc. Hence the new open-door policy to the West, which accounts for an overwhelming majority of aid and investment (the Soviet Union and India are involved in increased trade, but not aid and investment).

is striking confirmation of the increasing interpenetration of foreign and domestic capital, with the state as an ever more benevolent overseer, is further proof of the bankruptcy of any theory that seeks to distinguish a "progressive" national bourgeoisie from a pro-Soviet state dominated by "social imperialism." Political name-calling has not prevented India and the United States from strengthening their economic ties in the post-Emergency period.

The government's non-inflationary hopes thus rest on five assumptions:

1. That the overall growth rate in the economy will be on the order of 5 or 6%.
2. That agricultural production will be double the yearly average for the last decade at 5%.
3. Industrial production to grow at 8%.
4. Injection of foreign resources to the tune of 20% of the budget's expected outlay.
5. Continuing passivity of the mass movement, particularly the workers of the organized industrial sector. To this end, the government, apart from maintaining high unemployment levels, is embarking on a direct confrontation with the trade-union organizations of the workers that are outside the control of the Congress party. In this maneuver it is operating on both the legal and the extralegal level. On the legal level it is about to promulgate legislation withholding the right of recognition to any trade union that does not meet arbitrary conditions laid down by the government. On the extralegal front, the Congress youth, in alliance with openly reactionary parties, like the Shiv Sena in Maharashtra, is acting as a battering ram in physically intimidating and destroying trade unions not controlled by the government.

In conclusion, the prospects for the state's helping to consolidate bourgeois rule for a prolonged period of capitalist growth depend on a combination of structural and conjunctural factors. Among the key structural factors are, first, a period of world capitalist prosperity without fear of a serious downturn during the next couple of years so as to provide the necessary market for increasing exports and opportunities for outside capital to flow into the country in response to a rising rate of profit. Second, that the passivity of the mass movement continues out of fear of unemployment and the widespread repression now going on. Among the other factors the most important is the bourgeoisie's hope that the rampant inflation of the previous decade will not rear its head to imperil the gains that have been newly acquired.

For revolutionary Marxists the organization of the proletariat around demands for the restoration of basic democratic rights to organize, strike, and hold meetings, along with demands for wage increases, will be the first step in the march to generalize the struggles of the working classes and their allies, to throw off once and for all the burden of repression that has descended onto their shoulders. □



Carlos Andres Perez

VENEZUELA OIL & POLITICS

by GONZALO GOMEZ

The political process Venezuela has followed during the past several years is comparable to the general process undergone by all the bourgeois nationalist regimes in Latin America, whose undeniable decline has been accompanied by new and deeper compromises with imperialism, with a consequent accentuation of the relations of neocolonial dependency. This process of the ruin of bourgeois nationalism has been manifested in Peru and Argentina, is presently under way in Panama, and has also occurred in Venezuela. It could not be otherwise, for nothing else can be expected from the weak national bourgeoisies of these countries. The constellation of the "color guard" of nationalism in Latin America, composed of such people as Perón in Argen-

tina, Velasco Alvarado in Peru, Torrijos in Panama, and Andrés Pérez in Venezuela (of which only the latter two are still in power as of now) has steadily dimmed in the face of the intensification of the rays of imperialism in South America. Nonetheless, this has gone hand in hand with a gradual rise of the mass movement in some countries.

The proimperialist plan of Andrés Pérez

In the specific case of Venezuela, the proimperialist turn ran almost parallel with the period of nationalizations opened by Carlos Andrés Pérez with the "nation-

alization" of the mines (iron) and closed with the nationalization of oil. In both cases, imperialism was granted big compensation and maintained its control over basic industries, especially through mixed companies of state capital and imperialist and national private capital.

In the case of the oil industry, the Yankee companies were able to control the most important sectors, which were sources of the most fabulous profits. They maintained their monopoly on refining, transport, and marketing of petroleum products, aside from the technical assistance accords. After taking advantage of a particularly favorable conjuncture of imperialist weakness on a world scale to negotiate with imperialism from the best possible position, the Venezuelan bourgeoisie once again turned to imperialism to sustain and finance its plans of capitalist development.

The whole previous "anti-imperialist" stage had been developed through frequent verbal confrontations with imperialism and by cultivating support from the mass movement in order to strengthen the government and create a basis of political and economic stability and labor peace. This was then to serve to begin carrying out the nationalization project and to undertake plans of economic development under the impetus of the big influx of petrodollars generated by the increase in oil prices. Because of this situation, the Carlos Andrés Pérez government had an initial base of fabulous financial resources whose magnitude was unprecedented in the economic history of Venezuelan capitalism.

Thus, when Andrés Pérez began serving his presidential term in 1974 he was able to grant all sorts of credit facilities, loans, and capital contributions to the various sectors of the national bourgeoisie. In addition, he was able to offer certain concessions to the laboring masses, a 25 percent wage increase for example, as well as to take other measures of a populist character.

After two years of the Andrés Pérez government, fiscal income approached 84,000 million bolivars and Venezuelan foreign exchange reserves exceeded the total reserves of all other Latin American countries put together, the equivalent of about US\$8,856 million in 1975. Given this panorama of economic bonanza, the leading groups of the Venezuelan entrepreneurial world, those most tightly linked to the multinational octopus of imperialist capital and represented by the employers' organization "Fedecamaras," insisted on the importance of an "atmosphere of confidence" and "investment incentives."

The figure for total government expenditures was on the order of Bs120,000 million. A good part of this money went to finance important industrial projects and agricultural complexes; it also went for foreign investments as well as loans and donations to other countries and to bodies controlled by North American imperialism such as the World Bank. Another important part of this mass of money was absorbed into the coffers and pockets of the state bureaucracy and thus contributed to flagrant

administrative corruption. The magnitude of the waste, together with the leveling off of oil prices on the world market, provoked an economic crisis on the state level, which compelled the state to adopt a more "prudent" spending policy and to introduce some reforms of the public administration. But the bourgeoisie continued to command fabulous resources, which permitted it to nurture ambitious objectives.

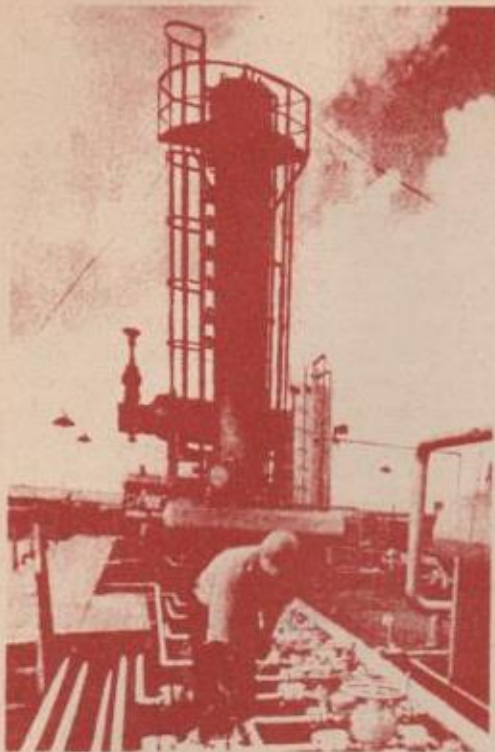
In order to take advantage of these fat years, the Venezuelan bourgeoisie drew up an economic plan that is supposed to be applied between 1976 and 1980. According to the claims of the president, this plan will be the reference point for the construction of what has been called "Great Venezuela," which is pretty much equivalent to the "Powerful Argentina" of Peronism or the "Brazilian Miracle." Let us take a synthetic look at the central features of this plan, which is called the fifth Plan de la Nación.

As far as petroleum, the nation's major resource, is concerned, the exploration of the Orinoco fields, site of the country's most extensive oil deposits, has been announced and there have been reports of investment programs "to initiate experimental production" with the participation of North American foreign capital. This means only one thing: Andrés Pérez is preparing to hand the most important oil deposits over to the imperialist companies. The terms of this surrender were undoubtedly on the agenda during the recent talks between Andrés Pérez and Henry Kissinger.

The multinational corporations will also occupy an enviable position in the so-called strategic industries. According to the procedure traced out by Article 5 of the law governing industry and trade in hydrocarbons, which permits the establishment of "association pacts" between the state and private enterprise, the imperialist companies will be able to participate through mixed-capital corporations in the steel and petrochemicals industries, key points in the development project of the Venezuelan government and big bourgeoisie. In addition, in some areas, such as exploitation of important by-products of the petrochemicals industry, "private enterprise" will be able to participate at levels up to 50 percent and will be able to hold majority shares in some cases.

In order to fully finance this "denationalizing" plan, the Venezuelan state is now seeking foreign credit, asking for some Bs30,000 million. This means that it will go into debt to imperialism, since existing reserves and the anticipated budget do not suffice to cover the requirements of the modernization and development of indigenous capitalism.

There is no mystery about what the result of all this will be: greater dependency on Yankee imperialism in all respects, whereas real development is possible only by breaking the neocolonial yoke, a task that requires the establishment of a workers and people's government in Venezuela.



The objectives and goals of this plan of capitalist development are closely linked to the government's educational program. One of the most pressing necessities for the Venezuelan bourgeoisie is the creation of a cheap specialized work force, which requires that the educational apparatus be adapted to these development objectives. The aim is to channel the influx of students in the humanities courses toward exclusively technical courses (especially short courses); to reduce spending on education by lowering the number of students and the budget; to stimulate private education while on the other hand erecting obstacles to free education. Yet another aim is to liquidate the existing democratic bodies of the student movement. These few facts give a good picture of the orientation of what the government calls the "educational revolution." We may conclude by mentioning the signing of accords between the company that directs the iron and steel industry of Orinoco (Corporación Venezolana de Guayana) and various national universities, as well as the signing of "advice and exchange" agreements with North American universities.

In whatever field is examined, the policy of the present government team is one of total linkage with imperialism, in contradiction with the initially "nationalist" image assumed by Carlos Andrés Pérez at the beginning of his term, an image that fooled many people who had illusions in his fake game and believed it was leading toward Latin American independence.

The bourgeois project and the masses

Andrés Pérez had made three basic promises in his electoral campaign: 1. He would fight the high cost of liv-

ing. 2. He would wage "war on poverty." 3. He would bring about full employment.

The first measures taken by Andrés Pérez toward the masses, timid as they were, did respond to these three claims to a certain extent. They penetrated deeply into the workers movement and thus gave the regime a base from which to blackmail imperialism and introduce nationalizations. Among these measures were a 25 percent wage increase, a price freeze on basic products, the introduction of a law partially blocking "unjustified layoffs," a decree ordering all companies to increase their employment rolls by 5 percent, and other measures of a similar nature. But the effects of these moves were barely felt by the workers. The wage increases were very quickly swept away by inflation; the cost of living continued to rise in the wake of "price adjustments" or indiscriminate increases; the increases in hiring were soon followed by massive layoffs.

None of the essential problems of the Venezuelan people have been solved, even partially, by the present employers' government. The number of unemployed is more than 1,800,000, if both permanently and partially unemployed workers are counted; the real wages of the workers decline day by day as a result of inflation, which will reach a rate of 50 percent by July of this year; about 33,000 students could not get into universities for lack of space, and the same problem exists in secondary schools as well. The problem of the countryside remains as intense as ever, with Venezuelan agriculture in deep crisis. The agrarian reform of the 1960s could not go beyond the limits imposed both by the program itself and by the administrative apparatus; about 80 percent of the land is owned by large landlords, and the agricultural workers have no choice but to gradually leave the countryside to flow into the marginal poverty belts that ring the cities. The deterioration of agriculture has necessitated the import of many products, which come in at the inflated prices of the international market and thus cause the ruin of the small-scale producers.

The V Plan de la Nación, far from ameliorating these problems, has been a factor aggravating them, since the full weight of the plan's application rests on sacrifices by all the workers. In order to carry it out, Andrés Pérez calls for "the most fruitful cooperation of employees and workers, for the greatest yield from the work force and the uninterrupted functioning of the companies." That is, he asks the workers to submit to the most intense superexploitation in order to guarantee large profits to the employers. But this is only one aspect of the social effects of the V Plan de la Nación, for the government also wants "austerity" and "efficiency," which means refusing to grant the slightest improvement in labor contracts and wage freezes in order to maximally reduce costs, thus making the workers bear the costs of the plans for capitalist development.

Under these circumstances, Andrés Pérez has resorted to the powerful trade-union bureaucracy (the majority of which is controlled by Acción Democrática, Democratic Action, the official party) and asks the trade-

union federations "to reach concerted agreements on industrial relations and policy" as well as "cooperation of the labor sector in collective negotiation."

With this pragmatic philosophy of "austerity" and "efficiency" the bourgeoisie intends not only to reduce the costs of production but also to discipline the workers movement. That is why they are now fighting to repeal the "law against unjustified layoffs," in an attempt both to clear the way for unshackled application of mass layoffs and purges of activists whenever a conflict arises that threatens the regular development of bourgeois industrial projects and to reduce expenditures on workers whose productivity is low. Thus, the worker will know that he must produce what is required of him or risk losing his job. The wave of layoffs is growing in all sectors, but the hardest hit have been the workers of companies operating in the oil zones. Besides allowing for and implementing layoffs, the solutions Andrés Pérez offers for the problem of unemployment do not even serve as palliatives. He has promised to create 180,000 new jobs per year, but if we take the total figure of unemployed, at least 1,600,000 people will remain jobless, and this does not take account of the increase in the number of people of working age, people who will be unable to find jobs during the coming ten years.

Response of the workers

The workers movement and the oppressed masses of Venezuela are temporarily in a state of calm. During the past two years (and even for several years before that) there have not been great struggles in the country. Throughout this period there have been only small-scale conflicts, molecular and isolated struggles of the workers movement and some sectors of the petty bourgeoisie. Nevertheless, the dynamic of the class struggle points toward a slow but steady advance of these struggles, which are now erupting sporadically and with little intensity. A symptom of this advance may be seen in the current tendency toward massive unionization of the workers.

The most important dangers the Andrés Pérez government has had to confront have undoubtedly been the strike of the iron workers and the threatened oilworkers strike. The origin of both problems lay in Andrés Pérez's refusal to pay 50 percent of the social security benefits that had been promised the workers when the iron and oil industries were nationalized. Even though these struggles did not win victory in the sense that the central demands were not met, they led to direct conflicts with the employers' government and did not represent real defeats for the working class, which is holding its ground and gaining in strength daily. But the case of the ironworkers did lead to a struggle against the trade-union bureaucracy that has been entrenched in the mine-workers union for the past fourteen years, a struggle that ended by achieving trade-union unity among the ironworkers and the ousting of the old bureaucracy with the triumph of the slates of the Movimiento de Izquierda

Revolucionaria (MIR — Movement of the Revolutionary Left) and the Movimiento al Socialismo (MAS — Movement Toward Socialism). This reflected a new shift of the workers toward socialist positions.

But the factors that gave rise to these mobilizations or were on the point of provoking them continue to exist under the surface, and the working class is going through increasingly negative experiences with the bourgeois government, which is step by step eroding confidence in that government. More precisely, these problems of the workers in the most important industries, like iron and oil, the backbone of the national economy, are tending to sharpen, while the plan of "austerity" and "efficiency" aims at eliminating some of the gains these workers had made previously (ownership of the living quarters in the work areas, the canteens, etc.). This may stimulate the development of new and more intense struggles.

During the two years of the Andrés Pérez government, there has been an increase in the number of strikes around wage demands in various factories. There have been strikes of the transport workers, the public service workers, teachers and university employees, mobilizations of students and the poor against increases in the transport fares, etc. Immediately after Kissinger's visit and the murder of three students by repressive agents, there were powerful student mobilizations that lasted for more than a week. Later the students of the secondary and technical schools took to the streets to protest the "cycle of diversification," one of the aspects of the "educational revolution." There have also been small signs of discontent in the countryside, resulting in land seizures in some areas.

In general, Andrés Pérez's response to these atomized but mounting struggles has been to refuse to give an inch and to take repressive measures: Nearly all the strikes have been declared illegal; there have been layoffs and murders of students; worker activists and left militants have been imprisoned; the headquarters and printshops of some socialist groups have been sacked; in some cases the leftist press has been confiscated. All this has gone on parallel to the increasingly rightward drift of the government and the deepening of its links with imperialism.

Nevertheless, the government's image is continuing to deteriorate; the struggles are becoming more numerous, even if slowly; and broad sectors of the masses and the petty bourgeoisie are leaning toward socialism, which is reflected in the growth of left tendencies, as seen in the results of student and trade-union elections and in other developments as well.

The left

The first actions taken by President Andrés Pérez had a big impact on the entire left, including the groups that had predicted the rise of what they called "pre-fascism," since they had based their analysis on the political antecedents of Carlos Andrés Pérez, which is now hinted

at any "nationalist" inclinations. These forces were disoriented by the initial "anti-imperialist" impetus, short-lived though it was, and by the "attacks" on the "industrial powers" and the "defense of the Third World."

The most general reaction on the left was to bow down before bourgeois nationalism, thus offering it a left cover. The Partido Comunista Venezolano (PCV — Venezuelan Communist party) outdid itself in praising the "progressive" measures of Andrés Pérez and pushed for the formation of a "patriotic front" of all political parties, as well as "progressive" civilians and officers. Nearly all the left (with the exception of the Liga Socialista, Socialist League, the sympathizing organization of the Fourth International, and the ultraleftists) supported this accord, which was signed by the bourgeois parties, the trade-union federations, and the employers' associations. In practice, this served to promote a greater well of confidence in the fake anti-imperialism of the government and avoided posing the question of which class should control nationalized industry. The principle of the political independence of the workers movement was liquidated, replaced by the call for the unity of the employers and the workers to resist imperialism.

The sectors of the left that have representatives in parliament have not gone beyond the framework of this institution and have raised only this or that secondary objection to or reform of the bourgeois projects. Thus, for example, the MAS supported the government's nationalization program, agreeing to pay compensation to the oil companies. Likewise, the MAS is now a de facto supporter of the V Plan de la Nación, being content, along with the rest of the "socialist" parliamentarians, to argue over figures or paragraphs without presenting a workers and socialist alternative.

But even more serious has been the attitude of the left toward the struggles of the workers movement. The MAS, the MIR, and the PCV have been as vigorous as possible in betraying the struggles of the Venezuelan workers. They systematically opposed the ironworkers strikes and the holding of an oil strike, considering these actions "inopportune." The PCV accused the Trotskyists, who were supporting the oilworkers, of sowing confusion and aiding the "antinational" forces; they used their leaflets and publications in the oil zone to attack the Trotskyists instead of to aid the workers in preventing the theft of their benefits. As for the MAS and the MIR, they concentrated on getting ready for the trade-union elections.

In this situation of relative calm of the class struggle, all sorts of ideological degeneration and aberrations are proliferating within the left, from individual terrorism to the rankest reformism. One indication of this is provided by the conceptions of Teodoro Petkoff, the major ideologue of the MAS, conceptions which orient the policy of the greater part of the Venezuelan left. Apart from flirting with the "patriotic officers," the MAS claims that what is needed is to "broaden democracy," and as has been seen, this means bourgeois democracy.

The MAS has gone so far as to assert that it constitutes the left of the two main bourgeois parties and to deny its relation to the rest of the left. In an ultimate insult to Marxism, the MAS insists on a "new way of being socialist" (which is actually nothing but Social Democracy), disavowing the dictatorship of the proletariat, which has been replaced by a "pluralistic socialism" in which the employers' parties and capitalist property are freely and happily accepted.

Building a revolutionary leadership

Such is the situation in Venezuela: economic bonanza for the bourgeoisie, at the expense of the workers and masses; increased penetration by imperialism; relative calm in the class struggle; absence of a revolutionary leadership.

The revolutionary Marxists face many tasks, among the most important of which is to forge a real revolutionary leadership that, in the heat of the mobilizations, is able to orient them toward the road to victory. To forge this leadership means to forge an indispensable tool without which the proletariat will not be able to take power. This tool is the workers and socialist party that Venezuela needs. To build this party it is necessary to deeply penetrate the workers movement and to be present in each of its struggles, to respond to each of its needs and thus to present a class response, materially and politically, to all the projects and actions aimed at delivering the workers to superexploitation that have been undertaken by the capitalists. This means to present a plan of struggle and a workers and socialist program.

In Venezuela today, this means fighting for a new general wage increase and for a sliding scale of wages; opposing layoffs and defending the right to employment by demanding a sliding scale of hours; fighting the trade-union bureaucracy by defending unity and democracy within the unions; counterposing total nationalization under workers control to imperialist penetration; defending the right to education in the service of the workers and the people through control by the students themselves; struggling for genuine agrarian reform.

Finally, it means to constantly raise the alternative of a workers and people's government that expropriates the capitalists and charts a course to socialism.

The Liga Socialista, sympathizing organization of the Fourth International, is devoting itself to the construction of this party, of this revolutionary leadership, attempting at all times to undertake united-front actions with the reformists and ultraleftists in accordance with the objective needs of the mass movement. This alternative leadership will rise above the reformist tendencies and all the false conceptions now misleading the proletariat, which must be the target of the toughest ideological battle. The awakening of coming mass mobilizations, which may herald a rising phase of the struggle, will show the way forward and give an impetus to this process. □

ARGENTINA: REPRESSION RISING

Recent information received from Argentina indicates that a systematic aggravation of the antiworker repression unleashed by the military junta is occurring almost day by day. It is urgent to tear off the mask of "moderation" the junta has deliberately donned for foreign consumption, a mask that has been accepted as corresponding to reality not only by a part of the western press, but even by Pravda.

The number of worker and political militants in prison now exceeds 14,000, among them 150 members of the Partido Socialista de los Trabajadores (Socialist Workers Party), sympathizing organization of the Fourth International in Argentina. Summary executions carried out by the parallel police of the Argentine Anticommunist Alliance type are going full steam ahead. They are increasingly being carried out by the army itself. For example, three political prisoners were executed in Córdoba and four in Bahía Blanca at the beginning of May. The dictatorship relies on its censorship to prevent these summary executions as the results of escape attempts or clashes among armed groups; but most of the time it is a matter of cold-blooded murder of unarmed prisoners.

On April 29 General Benjamín Menéndez, military commander of Córdoba, ordered the burning of thousands of Marxist books confiscated from the book stores of that city. The bonfire took place in the base of the fourteenth paratrooper regiment. A communiqué of the third army corps openly justified it, claiming that it is necessary "to prevent this literature from continuing to lead our youth astray."

At the same time, a first important strike has taken place, in the General Motors factories, in solidarity against the arrest of trade-union delegates. In spite of an army intervention in the factory, the workers held firm and managed to win the release of their comrades. Some smaller strikes have also been reported. The economic situation of the workers has worsened considerably. It is estimated that the average real wage has dropped 35 percent since the military junta came to power.