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EGYPT: THE FAILURE OF «INFITAH»

PORTUGAL: SOARES'S AUSTERITY



Mandel answers S.Williams



Following this issue, INPRECOR will be altering its format in accordance with a move to more advanced printing facilities. Because of the technical changes that must be made, our normal issue will not be published a fortnight from now. Our next issue, with which we will resume our usual schedule, will be printed and distributed on March 8, 1977.

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EGYPT

MASS REBELLION AGAINST SADATISM

by JON ROTHSCHILD

Not long ago an Egyptian weekly reported that a wealthy merchant, accompanied by three members of his family, had spent 950 Egyptian pounds in a single evening amusing himself at one of Cairo's leading nightclubs. Not ungenerously, he left a 50 pound tip for the headwaiter and other servants. The weekly noted that to make 1,000 pounds eighty-three workers paid at the minimum monthly wage of 12 Egyptian pounds would have to work for a month.

It was not specified which of the nightclubs was involved. But many of them, like the Auberge des Pyramides, the Ramses, el-Liel, and the Arizona, are, as the International Herald Tribune put it, "temporarily out of business. A mob of more than 1,000 peasants descended on them Wednesday (January 19), stripped them of their food and whiskey, and put them to the torch." The nightclubs, symbols of the enormity of social inequality in Egypt, were special targets of the thousands of workers, peasants, and students who took to the streets of Egypt's major cities January 18 and 19, hours after the government had announced an end to subsidies on a series of products of basic necessity. But they were by no means the only targets. In Alexandria dock workers sacked the home of Vice President Husny Mubarak. In Aswan, 600 miles south of Cairo, demonstrators burned down the ceremonial arches that had been erected to welcome Yugoslav President Tito, who was expected on a state visit which never took place. The headquarters of the Arab Socialist Union in Cairo were destroyed.

It was not the first time Egypt had been shaken by popular explosion in recent years, but nearly all observers agreed that something was different this time. "The violent outbursts of popular discontent due to the decline of buying power, for example on January 1, 1975, or during Ramadan 1976, did not really take a political turn," wrote J.P. Peroncel-Hugoz in *Le Monde*. "But this is not the case with the present troubles, in the

course of which the crowds have attacked both the 'dandyism' of the president and his policy of economic opening 'carried out on the backs of the poor.' 'We are hungry,' shouted demonstrators under the windows of the foreign banks that once again have their representatives in Egypt. The popular seizure of the provincial cities also lent the situation the allure of a general insurrection." United Press International correspondent Ray Mosely also spoke of a "virtual insurrection."

The events were triggered on January 17, when the government, at the behest of the International Monetary Fund, decreed the suspension of subsidies designed to hold down the prices of food and other basic products. The practical effect was to raise prices. Bottled propane gas, widely used for both cooking and heating, was to go up 46%, gasoline 31%, cigarettes 12%, flour 63%, rice 16%, meat 26%. The first reactions broke out in Alexandria on January 18. Later the same day a large crowd massed in Cairo's Liberation Square. Chanting "With life and blood we shall bring down prices," they tried to march on the People's Assembly building. The police attacked, the demonstrators defended themselves, and the battle was on. By the end of the day strikes and demonstrations had broken out in Helwan, in Aswan and other cities in Upper Egypt, and throughout the Nile delta, in Mansurah, Zagazig, Faqus, and other towns. In the late afternoon police began firing on protesters. The universities were ordered closed and the students sent on "vacations." A thirteen-hour curfew was clamped on Cairo, Alexandria, and Suez, and police were ordered to shoot violators on sight.

But the measures of intimidation did not work. By the afternoon of January 19 Liberation Square in Cairo was packed with thousands of youth. The crowds refused to disperse when the curfew went into effect and the cry went up, "We are dying of hunger anyway, so kill us with your bullets Sadat." And so he did. For the first

time in twenty-five years, the army was massively used against civilians. Cairo was virtually occupied by troops and the fighting went on into the night. Officials put the number killed at about seventy-five and said there were some 800 wounded. Unofficial and undoubtedly more realistic reports set the number of casualties at about three times that. There were at least 2,000 arrests. But the government was forced to back down. The price subsidies were ordered restored late January 19.

Grinding poverty

The government's decision to suspend the price subsidies seemed almost tailor-made to trigger a social explosion. As was shown last year in Poland, a provocative and sudden blow at the standard of living of the majority of a population can readily ignite pent-up social discontent and provide the masses with a focus for their rage. In Egypt, though, an additional factor was operative. The price increases, had they gone into effect, would have represented not merely a decline in the standard of living of the masses, but would have brought the workers, peasants, and the majority of urban dwellers to the very brink of starvation. It was no exaggeration when several international bourgeois newspapers referred to the price subsidies as the thing that "allowed Egypt's people to keep eating."

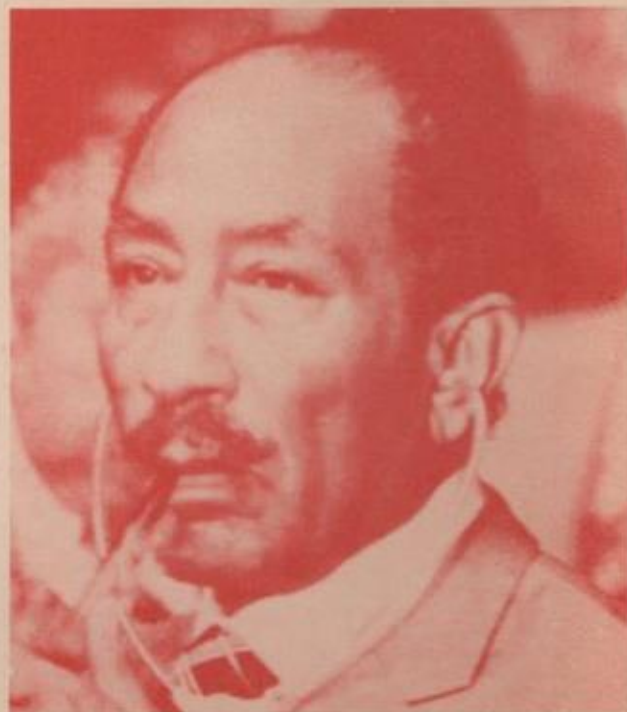
The average per capita income in the country is approximately \$5 a week. The minimum monthly wage ££12 (about \$16). A simple comparison of this figure with the current prices for goods and services of basic necessity draws a picture of the living conditions of the average Egyptian. A pair of shoes costs ££5. Meat is ££2 a kilo. Monthly rents for apartments in popular neighborhoods run at about ££15 and finding one often takes as long as five years. For the city of Cairo as a whole, there are an average of 2.5 people for each room. During the past fifteen years the population of the city has risen from 4 million to 7.5 million (more than 11 million in the greater Cairo area), but there has been virtually no increase in available services, even of the most elementary variety. City buses designed to carry 80 passengers are often loaded with at least 200. It is estimated that the price increases consequent to the lifting of the subsidies would have added some ££3 to the monthly food bill of an average Cairo family. Such items as meat and leather shoes are already out of the range of the Egyptian workers. The end of the subsidies would have raised staple foods to the same category

Prices are already rising at an alarming rate due to inflation. The official inflation rate is pegged to an index based on the 1965-66 "household budget," described by the Financial Times as "a fairly menial basket of mainly price-controlled commodities." Even on this basis the three years prior to the end of 1975 showed a 30% increase in the consumer price index. In fact, however, the real inflation rate for a working class family in Cairo or Alexandria is estimated to have been 25% a year during that period. The current rate is on the order of 40-50% a year.

The situation is little better even for the middle class. The average starting salary for a university graduate is about ££25-30 a month. The economy is unable to generate jobs fast enough to absorb the 30,000-40,000 yearly university graduates. Hence, "most of them wind up in stultifying jobs in government ministries — some ministries have four employees for every job — and they have nothing to do but sit at desks all day and complain about the cost of supporting a family on their miserable salaries." (International Herald Tribune, January 24, 1977.) Such a government employee "would have to mortgage his earnings for 10 years to make a down payment on a less than average apartment at current prices." (Financial Times, June 28, 1976.) The bulk of this "down payment" consists of "key money" to the landlord — that is, a bribe. Furnishing the apartment would then cost between \$2,500 and \$5,000. The result is that even employed university graduates generally continue living with their parents.

All this, of course, defines the situation of employed workers and government employees. The regime does not publish unemployment statistics, but unofficial estimates run to 3.5 million out of a total population of 40 million (more than half of whom are less than 20 years old.) At least 1 million and perhaps as many as 3 million Egyptian workers have left the country in search of jobs. Thousands of others live in sprawling shanty towns around the fringes of the big cities. One of the most notorious, constructed among graves of an old cemetery in Cairo, is called the "city of the dead."

If conditions in the cities are appalling, those in the countryside are perhaps even worse. Life expectancy is still less than 40. The illiteracy rate is 70%, higher





"We are dying of
hunger anyway,
so kill us with
your bullets Sadat."

than it was ten years ago. An estimated 60-70% of the rural population suffers from bilharzia, a worm that is picked up from stagnant water and burrows into the veins. It results in anemia and makes people especially susceptible to various fatal diseases, one of the main reasons for the low life expectancy.

The past three years have seen repeated outbreaks of popular anger over this general social situation. In September 1974 there was a strike wave in Helwan, an industrialized area south of Cairo. On January 1, 1975, thousands of workers, some of them participants in the Helwan strikes, battled police trying to prevent them from marching on the People's Assembly. In March 1975 a strike wave swept the textile industry in Mahalla el-Kubra in the industrial belt north of Cairo. August 1976 saw riots in some of Cairo's slums. In Damietta last summer a labor dispute erupted into assaults on government buildings and another strike wave. In September 1976, days after Sadat was "reelected" president, bus drivers went on strike in Cairo. In the countryside there have been increasing instances of peasant resistance to landlords and to overall social decay.

These periodic explosions, while triggered by economic and social issues, have also represented responses, albeit undirected ones, to the politics of the Sadat regime. This was especially true this time. For side by side with the Egypt of the urban slums and impoverished countryside, there is another Egypt, that of the black marketeer, smuggler, banker, speculator, and bureaucrat, the Egypt that has now produced, according to official figures, 500 millionaires, the Egypt that has been created by the rule and orientation of the Sadat regime.

Sadat's "infitah"

Since the beginning of 1974 Egyptian economic policy has been guided by the *infitah*, or "opening," proclaimed by Sadat just after the October war of 1973. Fundamentally, *infitah* represented a new stage in the "de-Nasserization" of Egypt, a process actually initiated by Sadat in the spring of 1971, barely six months after the death of his predecessor. In early May of that year the first overt step was taken with the purge of the "left" Nasserite tendency led by Ali Sabry, one of the original members of Nasser's Free Officers organization. In the summer of 1972 Soviet military experts were expelled from Egypt in the opening move of a major political reorientation toward U.S. imperialism. During early 1973 Sadat began elaborating economic measures aimed at bolstering the private sector of the economy and took the first tentative steps toward undoing some of the nationalizations that had been carried out under Nasser.

The aim of the Sadat policy — which was an economic and political unity — was to break out of the impasse to which the country had been led by the failure of Nasserism. Economically, Nasser's project of building an independent Egypt free of imperialist control had failed. While the state sector of the economy was in crisis, the private sector was unable to take up the slack as a result of the fetters placed on it by Nasser's concessions to the mass movement and his commitment to the primacy of the state sector. Nasser's political and military alliance with Moscow had proven completely ineffective in liberating the Egyptian territory occupied by the Israeli army since the 1967 war. The economic and political impasse was matched by mounting social discontent, as Nasserism began to lose its ideological hold over the mass movement.

Sadat's response was to change direction, to shift to U.S. imperialism as the major ally with which to recover the lands occupied by Israel and to begin to open the Egyptian economy to western imperialist penetration, partly in order to cement the new political alliance and partly to lay the basis for an economic recovery based on the expansion of the private sector. It was necessary, however, to tread carefully. The social gains the masses had made under Nasser were real, and resistance to their eradication could be anticipated. At the same time, U.S. imperialism remained unimpressed with Cairo's political turn in foreign policy and exerted no significant pressure on the Israelis to make concessions to Cairo. More than a year of more or less openly pro-imperialist foreign policy — from July 1972 to autumn 1973 — produced no results. Concurrently, the economy, drifting in a twilight zone of partial de-Nasserization on the one hand and continuing restrictions on the private sector on the other, was veering toward catastrophe. The country, Sadat was later to say, stood on the brink of bankruptcy, without a "single piastre" of hard currency. The payments deficit on current account rose to E£261.3 million during 1973, an increase of more than 25% over 1972. Debt servicing and meeting credit obligations to suppliers accounted for 30% of foreign exchange earnings. The average annual growth rate of the gross national product was no higher than 3%, barely greater than the rate of population increase.



Signboards in the Port Said free zone: very few firms have set up shop

The launching of the October war in 1973 represented a watershed in the turn away from Nasserism. Politically it was designed to force the hand of U.S. imperialism and get the diplomatic situation off dead center. Economically it resulted in a massive infusion of aid from the Arab oil-producing countries (\$730 million), whose revenues had themselves been increased manifold by the soaring of oil prices consequent to the war.

Basking in the glow of the political success achieved in the war, Sadat moved quickly to capitalize on his surge of popularity and took major new steps in economic policy. It was then that the *infitah* was proclaimed. With it a series of measures were taken to lay the basis

for an expected boom to be fueled by expansion of the private sector:

* In February 1974 three decrees were issued creating various bodies to channel investment, guarantee private investment, and prevent nationalizations;

* "Free zones" were established along the Suez Canal wherein all companies would be exempt from taxes and duties;

* Corporations newly investing in Egypt were granted five-to-eight year exemptions from taxes throughout the country and investment banks were exempted from currency controls.

* In June 1974 an investment law opened industry, metallurgy, banking, and insurance (all previously nationalized) to foreign investment. In addition, Egyptian citizens were granted permission to become representatives of foreign firms.

In July 1974 the government promulgated an "economic crossing" plan (named after the crossing of the Suez Canal by Egyptian troops), which was in turn designed to lay the basis for a five-year development plan to run through 1980. This plan was intended to complete the overhauling of the Egyptian economy and make Egypt self-sufficient in all economic areas except capital requirements, which would be made up by foreign investment and grants and loans from the oil-producing Arab countries. The "economic crossing" plan was launched with great fanfare and was followed during 1975 by a further series of measures of "liberalization." These have been summarized as follows: "On 28 July 1975 a new law abolished the public institutions which served as the apparatus of co-ordination and control in the context of the Five Year Plan. They are to be replaced by supreme councils for each sector, with no say in planning and no budgetary power; their role will be purely consultative. At the same time, the administrative councils of the public sector companies are being transformed by the inclusion of experts from the private sector. Autonomy is being granted to the different companies in the public sector, which will work out their projects, plans, and budgets without reference to any central, policy-orienting body. The Finance Minister, Ahmed Abu Ismail, spelt it out: 'The government is set on the open door policy. One of the first priorities has been to dissolve the public institutions and give individual economic units complete freedom to reform their administration and remove all obstacles and hindrances to the realization of this objective. Any unit failing to achieve these ends will be regarded as a burden and liquidated.'" (Marie-Christine Aulas in *New Left Review*, No. 98, July-August 1976.)

This project was later extended by permitting the sale of shares in public companies to individuals. The government explained that the intent of this "reform" was to give the workers a taste for the benefits of private property, but on a wage of £E12 a month not much is left over with which to buy stock portfolios.

The 1974 and 1975 measures of "liberalization" were trumpeted in government-financed advertising campaigns designed to attract foreign capital, campaigns which

continue to this day. A sample: "Recognising the benefits that foreign investment can bring to the country, the Arab Republic of Egypt, the most populous country of the Arab World, is now welcoming foreign capital in a wide range of fields. Particularly sought are projects that bring an ability to earn foreign exchange by generating exports or encouraging tourism, which alleviate the need to import basic materials, or which provide technical expertise needed by the country. Foreign investment is allowed in a range of industrial, mining, energy, tourism, land reclamation, animal husbandry, and banking activities, and, for Arab investors, in housing construction and rehabilitation."

This multipage government announcement, published in the November 1976 issue of the magazine *African Development*, among other places, waxes enthusiastic about the gains to be reaped by foreign capital: The new investment laws provide "the investor" with "important incentives in several areas: tax exemptions, freedom from exchange control regulations under certain conditions, exemption from certain laws and regulations on worker participation and protection against unlawful nationalisation or expropriation of property." The latter point is frankly singled out for special attention: "Recognising that Egypt's past record makes investors wary, the new foreign investment law provides guarantees against unlawful nationalisation or expropriation of investments." Moreover, "Egypt has a surplus of employable labour. In these inflationary times, Egypt retains its significant wage-cost advantage over many other developing countries." To sum up: "With favourable prospects for political stability, with a renewed faith in a significant role for the private sector, and with plans for rapid economic growth, Egypt with its new incentives should be an appealing place for foreign investment."

Most of these appeals were (and are) centered on a grandiose project for the development of the Suez Canal area (site of the "free zones") and on construction of four entirely new cities in a ring about fifty kilometers from Cairo: the "Tenth of Ramadan" New Industrial City along the Cairo-Ismailia road; Sadat City to the north; King Khalid City to the south; and a fourth city on the Cairo-Suez road. The second major aspect of the construction plans — administered, incidentally, by Osman Ahmed Osman, minister of reconstruction, owner of one of the largest contracting companies in the Arab world, and recently brother-in-law of Anwar Sadat — is based on the enlargement of the Suez Canal to accommodate new giant oil tankers, the construction of three tunnels under the canal linking the Sinai to the east bank of the Nile, and the reconstruction of the cities of Port Said, Ismailia, and Suez, all destroyed during the 1967 Israeli war of aggression and evacuated until the signing of the second Sinai disengagement accord in September 1975.

Such is the economic project of *infitah*. The old Nasserist dream of a modern anti-imperialist Egypt was replaced by the new, allegedly more "realistic" dream of a modern capitalist Egypt undergoing rapid industrial development based on an economic and

political alliance with imperialist capital and a newly invigorated domestic bourgeoisie.

The failure of Sadatism

The failure of *infitah*, equally as patent as the failure of Nasserism, set the stage for the measures that touched off the January upheaval. There are five essential factors behind the economic crisis with which *infitah* has been unable to deal: the mounting balance of payments deficit; the rising trade deficit; the lack of investment capital and supplies, with a consequent crisis of industry; the decrepit state of the Egyptian infrastructure; and the stagnation of agriculture. Overall statistics for 1976 are not yet available (and, judging by the usual competence of the government bureaucracy, they will not be published for some time). On the basis of information running through the end of 1975 and partial information for 1976, however, the following general picture of these five factors may be drawn:

1. Balance of payments deficit

*The payments deficit on current account for 1975 rose to nearly four times its 1973 level (and the 1973 level was itself considered catastrophic), while indebtedness more than doubled. "The difference in the situation," wrote Richard Johns in the June 28, 1976, *Financial Times*, "was the availability of substantial aid from surplus Arab countries and, to a lesser extent, the U.S. However, after donating the best part of \$3bn (i.e., \$3,000 million) until the end of 1975 and lending more than \$1bn. on concessionary terms, the oil producers have made it clear that there are limits to the amount of money which they are prepared unconditionally to pour into what has come to look more and more like an insatiable sink." The major sources of the ever-increasing deficit are military spending and loans, debt servicing on previous loans, both military and civilian, and the subsidies for basic products, estimated at ££1,000 million for 1976. (The military debt is supposed to be secret, but virtually all estimates place it at something like \$7,000 million.) The only bright spot in the 1975 balance of payments picture was the positive performance in services, a result of the combination of tourism and remittances by Egyptians working outside the country.

The major source to which the Egyptian government has turned in its efforts to keep afloat is the Gulf Development Fund, the contributors to which are Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar. In late 1975 Sadat requested between \$3,000 million and \$4,000 million in development aid for the fiscal years 1976 and 1977, but the request was subsequently raised to \$10,000 million to \$12,000 million for the years of the 1976-80 development plan. In the heat of the 1975 euphoria over *infitah* the government approved a series of projects before having amassed the funds with which to implement them. The result was that short-term loans (with interest rates of up to 22%) had to be taken. The euphoria, if not the propaganda, having cooled, a new policy was set: Find the money first, then approve the

project. Government estimates for the 1976-80 plan call for \$20,000 million, of which \$8,000 million is slated to be raised from foreign governments and international imperialist financial institutions. The Gulf countries were asked to make up the rest. In the end, the Gulf Development Fund agreed to come up with only \$2,000 million; moreover, an agreement signed in late 1976 failed even to cover the expected balance of payments deficit for 1976, £E506 million. In short, there is no prospect for resolution of the balance of payments crisis. The Financial Times commented: "During the 1976-80 period there should be substantially increased investment with plenty of project aid in the pipeline (although precious little foreign investment in sight). Egypt will profit by greater earnings from the Suez Canal, receipts from tourism, and remittances from nationals working abroad. But discipline and austerity, involving fairly drastic cuts in consumption, will have to be the order of the day for at least another five years if the ground is to be laid for a lasting recovery and soundly-based growth in the future." (June 28, 1976, emphasis added.)

2. The trade deficit

The leading journal of British finance capital offered similar advice as regards the trade gap: "Egypt is currently experiencing its most severe trade deficit ever, and one which shows every prospect of further deterioration unless strong curbs on consumption are successfully applied." Total exports for 1975 were about £E550 million, while imports exceeded £E1,500 million, for a deficit of £E950 million. Primary exports declined almost £E100 million in 1975 compared with 1974. The cost of intermediary commodity imports doubled over the same period, reaching £E619 million in 1975. Industrial imports rose from £E213 million in 1974 to £E286.4 million in 1975, while industrial exports rose from £E226.1 million to £E230.8 million, transforming a surplus into a deficit. This situation is expected to worsen for 1976, since export levels should be about the same as for 1975 while imports are expected to increase by £E353 million.

3. Lack of investment and underutilization

Underutilization has been a chronic structural problem of the Egyptian economy. The low point came in 1973, when unused industrial capacity reached 35% overall and as much as 60% in some cases. Since the expenditure of £E230 million allocated under the 1974-75 transitional plan, the situation has improved somewhat, but it remains unfavorable. The industrial sector accounted for only 20% of GNP in 1975, below government targets. Shortages of supplies resulting either from currency shortages or perturbations of the world market have inhibited production even in some "model" factories. The Helwan iron and steel works, built by the Soviet Union, produced only half its quota in 1975. Partly because of the industrial crisis, Egyptian capitalists prefer to invest in real estate and construction. As a result, in spite of the measures taken to stimulate the private sector, as of 1975 private industrial production continued to make up only one-fourth of total value, as has been the case for years.

4. Infrastructure

The Egyptian infrastructure is notoriously rickety and represents one of the major factors keeping foreign investment to a minimum despite the government's strenuous efforts to attract it. The city of Cairo itself provides the most striking examples. Multinational corporations which have established offices there have had to wait months before getting telephones installed, and then only after shelling out thousands of dollars in bribes to government officials. Moreover, installa-



tion of telephone service is only the first problem. There is no guarantee that an installed telephone will function. Reports in various newspapers toward the end of 1976 indicated that many corporations that had moved their offices from Beirut to Cairo because of the Lebanese civil war were longing to return, for telephone service in Beirut at the height of the war was superior to telephone service in Cairo at peace. The lack of an infrastructure has also been a major impediment to implementation of the regime's much trumpeted Suez Canal development projects. Corporations that quickly applied for space in the "free zone" of Suez City were dismayed to learn that there was no telex service between Suez and Cairo, let alone between Suez and the rest of the world. The result is reflected in a comparison of the number of projects approved and the number of companies that actually paid rent in the sectors of cold storage, general warehousing, and industrial projects in the free zones: 232 projects had been approved by late 1976, but only 55 of them had actually been begun.

5. Agriculture

A total of 57% of the Egyptian population lives off agriculture, in which 47% of the work force is employed. It accounts for 31% of the GNP and about 50% of export earnings (20% of total export earnings are generated by sales of cotton). In 1975 the agricultural balance moved into a deficit for the first time, total exports standing at £E275.1 million and imports exceeding £E440 million. Rice, the country's second biggest agricultural export earner, brought in 40% less in 1975 than in 1974, largely because of lower exportable surpluses caused by increased domestic consumption. (Is it a coincidence that the rice subsidy was one of those lifted on January 17?) Thus, agriculture, a mainstay of the economy, has become an economic burden instead of an exchange earner. Production is increasing at about 2% a year, less than the rate of population increase.

In sum, the policy of *infitah* has failed to solve any of the basic problems of the Egyptian economy, most of which have actually worsened dramatically during the past several years. This is, after all, not surprising. "For a long time," Ahmed el-Ghandour, deputy minister of the economy, told Andrew Lycett of African Development, "the Egyptian economy has not been integrated into the Western developed economy. This has had bad effects on the performance of our economy. It has been deprived of three crucial things — of the use of Western technology on a large scale, of foreign capital to add to our national savings, and of the opportunity to become efficient and mobilize our labour resources. All our fiscal and monetary policies should now be directed towards ends that serve the integration of the Egyptian with the international economy." Which means integration with the crisis of the international capitalist economy. All Egypt's structural economic problems are exacerbated by this general capitalist crisis, which leads to one basic fact: To achieve even an easing of its short-term economic problems, the Egyptian rulers must intensify their attacks on consumption and on the social and economic

positions of the workers, peasants, and urban petty bourgeoisie.

Given the already disastrous condition of these layers, such a policy would call forth resistance in any event. But the intensity of the resistance is bolstered by the fact, clearly observable to the masses, that while the *infitah* has failed to resolve the economic crisis, it has paved the way for the enrichment of the bourgeoisie and the bourgeoisification of a thin layer of the upper petty bourgeoisie. The process is most evident in the case of the former, who directly benefit from the "liberalization." The latter, however, are also taking advantage of the maneuvering room opened up by the gradual liquidation of Nasserist structures. In many cases, primitive accumulation takes the form of capitalizing on speculation and graft, phenomena which existed abundantly under Nasser but which had no easy outlet through which to be transformed into capital accumulation.

The top-ranking bureaucrat who yesterday piled up thousands of pounds worth of bribes is now able to use this bribe money to buy shares of denationalized companies. When those shares become significant enough to generate an income, he ceases to be a bureaucrat and becomes a speculator, smuggler, or capitalist. In a number of cases, elements of the upper petty bourgeoisie have been able to enrich themselves by offering services to needy officials of multinational corporations. A not uncommon instance was reported in the western press several months ago. A high-ranking government bureaucrat moved his family out of their furnished apartment in a middle-class district in Cairo. The rent was \$45 a month. After installing his family in a cheap dormitory, the bureaucrat sublet the apartment to the vice-president of an American corporation who had been unable to find suitable housing. The cost to the American executive was \$1,000 a month, paid for by his company naturally. After collecting the thousand dollars rent for several months, the bureaucrat made a trip to Lebanon, where he engaged in some lucrative transactions, doubling his money, which was then reinvested to make a second trip. By that time he had accumulated enough to plunge into the Cairo real estate boom, quit his government job, and move his family back into an apartment in a better neighborhood.

It is this sort of process — conducted on a vastly broader scale — that has produced Egypt's 500 millionaires. It is an illustration of a cardinal lesson of Marxist theory: So long as the state remains bourgeois, nationalizations, no matter how apparently sweeping, represent, in the long run, merely state contributions to the development of particular sectors and to the stimulation of the creation of wealth that may later be resold at the stroke of a pen to private owners. Under a bourgeois state, even nationalized means of production and distribution are ultimately instruments for the enrichment of a bourgeois class. Nasserism, with its combination of nationalist demagoguery and genuine concessions to the masses, effectively masked this basic truth for many years. Sadat's *infitah* has dropped the veils. The continuing impoverishment of the masses is now openly

combined with the enrichment of the few — and this in turn combined with an openly pro-imperialist foreign policy. This linkage of combinations has given the mass movement a new combativity and heightened explosive character.

The government's political response

On January 22 the curfew was lifted in Cairo, although paratroopers continued to patrol the central squares. But having been forced to concede on the issue of the price increases, Sadat still faced both the economic squeeze that had given rise to the explosion in the first place and the political problem of how to respond to the mass upsurge.

In the economic realm, he issued a desperate plea to the United States and the oil-producing Arab countries. Beginning on January 21 *el-Ahram* began a thinly veiled attack on the gulf countries, suggesting that they were much freer with advice than cash. A page-one headline in the January 21 *el-Ahram* over an article quoting press reaction to the upsurge in various Arab newspapers read, "Egypt Has Had Enough of Moral Support." The January 24 *el-Ahram* contained a lengthy report of Sadat's decisions after consultation with various government leaders. He promised "to halt the economic project relating to price increases in order not to provide opportunities for saboteurs" and to "find new sources and means of supply through a comprehensive plan of economic reform." No specific measures were mentioned, save that there would be no price increases and that the military budget would not be reduced. In essence, the message was a threat to international imperialism and the oil-producing countries whose advice had brought the regime to a state of acute crisis. It is impossible, Sadat said in effect, to order price increases; at the same time, the country stands in need of \$2,500 million immediately. The message seems to have been heeded. Sheikh Thani, minister of finance of Qatar, one of the major contributors to the Gulf Development Fund, arrived in Cairo on January 24 to discuss terms. On February 1 reports from Cairo indicated that the IMF had reached an agreement to loan Egypt \$140 million, with an additional \$450 million over the next three years. In exchange, Sadat reportedly promised to carry out "economic stabilization," although no specific measures were cited. It was considered doubtful that Sadat would be able to meet the IMF's requirements, but it would be significant if the loan went through anyway. "It will mean," commented the February 7 *Newsweek*, "that Egypt's Western creditors are willing to sacrifice economic principles and sound money practices in order to maintain the political stability of the Egyptian regime." In other words, a temporary measure has been arrived at whereby the economic crisis will be allowed to deepen while attacks on the standard of living of the masses will be introduced more gradually and less provocatively.

But maintaining the political stability of the Egyptian regime will take more than money. This was evident in the manner in which the regime moved to repressive

measures. The government immediately launched a campaign denouncing "communist saboteurs" as responsible for the popular explosion. Particularly singled out were four organizations, members of which were arrested in raids on January 19 and 20: the Egyptian Communist party, which is underground; the Egyptian Communist Workers party; the Revolutionary Current; and the January 8 Movement. The January 21 *el-Ahram* purported to present proof that the Egyptian Communist Workers party was the central force behind the entire affair. It published photostats of leaflets said to have been confiscated in raids on the apartments of two students, Yahya Mahbrouk Shoubashi and Mo'az Rmeih, two alleged members of the organization. *El-Ahram* charged that this group, a centrist split from the CP, had spawned a plot to "burn Cairo." The published leaflets, however, had nothing to do with terrorism, but were instead denunciations of the policy of the Egyptian state, particularly of its alliance with imperialism and its policies within the Arab world; this included denunciations of the role of the Syrian dominated "Arab dissuasion force" in Lebanon. The leaflets were apparently distributed during the demonstrations of January 18 and 19. The Egyptian Communist Workers party, as well as the Revolutionary Current, another left split from the CP, are representative of a phenomenon that has been developing slowly but steadily mainly in the Egyptian student movement during the past several years: The genesis of leftist groups which, although politically confused and often attracted to varieties of Maoism or centrism, have rejected Nasserism while simultaneously opposing the rightward evolution of the Egyptian ruling class. The sweeping arrests in university and intellectual milieus carried out January 18-22 were clearly aimed at crushing these organizations, all of which seem to have been relatively well prepared to intervene in the popular mobilizations.

But the far left was not the government's sole target. Also attacked were the members of the Progressive Unionist Rally, the legal leftist party headed by Khalid Mohieddine. The PUR is a product of the political liberalization which has accompanied the *infitah*. Last year Sadat authorized the formation of three "tribunes" within the Arab Socialist Union, the sole legal political party since the Nasser era. Members of the three tribunes — "left, right, and center" — as well as independents, were allowed to contest the seats in the People's Assembly during elections held last October. After the elections, Sadat declared that the three "tribunes" were henceforth "independent parties" and that Egypt had embarked on the path of return to multiparty democracy.

Sadat's democratic claims were undoubtedly false. But it would nonetheless be a mistake to regard the new "multipartyism" as a pure and simple demagogic maneuver. The elections were surely rigged — not least in that the press, which remains under the control of the ASU, unanimously supported Sadat's "center tribune," which proceeded to win the lion's share of the seats in the Assembly. But according to all reports, the elections did open up a genuine political debate in which the opposition was allowed, for the first time in

more than twenty years, to hold open and legal mass meetings during a tumultuous campaign. Some opposition candidates, as well as some "independents," were elected to the Assembly.

In reality, the political operation that gave rise to the three parties is but a reflection of the economic policy of the *infatih*. There is no reason to doubt that Sadat's overall program genuinely aims at the construction of a modern bourgeois Egypt. The attraction of foreign capital and the stimulation of domestic private capital require the dissolution, even if gradually, of the Nasserist bureaucracy. This in turn requires the establishment of alternative structures of political domination — on the one hand organizations through which the developing bourgeoisie can express itself and on the other hand "leftist" formations that can channel and control the mass movement and at the same time serve as safety valves for opposition to government policy. The extremely delicate process of transition has placed the regime in a quandry. On the one side, the legal left must be sufficiently threatened so that it refuses to link up with the mass movement in any active way. On the other hand, suppressing the legal left outright would deprive the regime of an ally it will increasingly need in the future.

Hence, on the one hand Sadat accused the PUR of sharing responsibility for the riots along with the "communist saboteurs." According to PUR sources, 108 of its members were arrested in the days immediately following the demonstrations. Among these were a considerable number of leaders, including, for example, Muhammed Mustafa Bakri, the PUR's major trade-union figure. On the other hand, the PUR was allowed to openly answer the government's attacks — provided that the answers also contained suitable denunciations of the "violent demonstrators." Thus, Khalid Mohieddine, in a statement published in the government-controlled press, said: "The masses perhaps expressed a sentiment identical to that of our party, but it was not our party that incited them to do so. If the same slogans were raised throughout the country it was because the problem, which is political, is the same everywhere." Further, he acknowledged that "some members" of the PUR had participated in the demonstrations, although he denounced the violence of the masses.

From the government side, Sadat stressed that there was no question of returning to Nasserite single-partyism. An eight-column headline printed in red on the front page of the January 24 *el-Ahram* quoted Sadat: "We Will Not Renounce Liberty; No Return to a Single Outlook." The campaign for the extension of Sadat's version of "democracy" proceeded simultaneously with the denunciation of the "communist saboteurs." The report that contained Sadat's pledge not to raise prices likewise contained professions of faith in democratic evolution reminiscent in tone to those of Suárez in Spain: "The new democratic experiment must not be altered by events fomented by bad elements seeking to return the country to a state of single outlook." *El-Ahram* commented: "The president invited the parties to remain vigilant and to be prepared to root out the few elements

who do not believe in this just democratization and in peace, in order that they not fall into mistakes that would lead them to repeat the errors of the parties before the revolution" (that is, before 1952). And *el-Ahram* concluded its report of Sadat's decisions this way: "Finally, for the good and safeguarding of democracy, and placing all faith in freedom of opinion, this opinion and this liberty must be exercised through the channels of legality."

The government's political strategy, then, is twofold: harsh repression and witch-hunting of the far-left elements who could potentially express the determination of the masses to fight the bourgeoisie actively; a combined tactic of selective repression and integration of the legal left, which is to serve as channel and safety valve in the future. The application of this strategy will not be easy, for the tightrope that must be walked is thin. The correspondent of the *Guardian*, David Hirst, made this observation: ". . . there is no doubt that a great political awakening is rapidly gaining momentum in Egypt and that Sadat must either permit it to go forward or revert to repression of a scale and severity that he cannot possibly sustain for long. Hand in hand with the demand for a better life — or rather for the basic necessities of existence — goes the demand for democracy and self-expression. It is the absence of true democracy which has caused people to take to the streets in the past two days — they have no other way of expressing their pent-up emotions." This great political awakening, he added, is stirring in some dangerous places: "The trade-union movement, for example, is still officially under the control of leaders who depend more on their loyalty to the system than on the support of the workers. But their position is being undermined by radicals from within. At a trade union conference early this month (January) the radicals secured a condemnation of the 'infatih of exploiters and smugglers' and the endorsement of a demand to raise the minimum wage from twelve to twenty pounds a month."

The prospect, then, is one of permanent economic crisis and political upheaval. If Nasserism strikingly confirmed the inability of the most radical bourgeois nationalism to resolve the tasks that are historically those of the bourgeois-democratic revolution, Sadatism, a logical outgrowth of the failure of Nasserism and in that sense simultaneously its extension and negation, confirms the inability of the bourgeoisie of the semi-colonial countries to carry out those same tasks through the deliberate stimulation of "classical" capitalism. Sadat's break with Nasserist economic and social policy is as irreversible as his turn toward imperialism in the realm of foreign policy. He has no alternative but to press ahead, and the only result will be further discrediting of his overall project. A new period is thus opening in the history of Egypt, home of more than half the entire Arab working class, a period that will pose new problems and present new opportunities to the workers movement, as the center of gravity of the Arab revolution shifts back to its logical heartland, Egypt.

February 3, 1977



Shirley Williams on the road to Samara

by ERNEST MANDEL

Shirley Williams, minister of education in the Callaghan cabinet, is one of the major representatives of the Labour right in Britain. On January 21 she delivered a speech entirely devoted to an attack on Trotskyism, a speech which received very broad coverage in the British press. The day after the speech, the liberal daily *The Guardian* gave her the main headline on the front page as well as close to a full page inside.

Obviously, this is no accident. Shirley Williams's speech, like the press campaign of the bourgeoisie, is part of systematic preparation for a witch-hunt against the entire far left within the Labour party. This campaign is itself the extension of a similar campaign launched a few years ago against the most combative layer of rank-and-file militants in the unions.

Socialism or democracy?

In her speech, Williams tried to bring together the major arguments with which to justify in the eyes of the average British worker a declaration of incompatibility between membership in the Labour party and the revolutionary socialist convictions of the majority of the far-left militants of this party. She thus deliberately abandoned the field of organizational and administrative quibbling ("entryism," "party within the party," "outside manipulation," and even the claim, as ridiculous as it is odious, that the Trotskyists are "financed from abroad"), which has been the preferred terrain of most of the bureaucrats of the Labour executive. She at least has the merit of placing herself on the field of ideas, of the problems of principle, tactics, and strategy of the socialist movement. This enables us to better grasp the ideological coherence and incoherence of Social Democracy today.

Williams's main argument for the expulsion of the Trotskyists from the Labour party is the alleged contempt for democracy of Marxists in general and Trotskyists in particular. This is also the argument that was joyfully taken up by the bourgeois press to support the campaign for the witch-hunt within the Labour party. It is thus that she prepares the way for state repression against a wing of the workers movement — all the better to

demonstrate the strength of her democratic convictions. But the evidence Williams is able to assemble in support of her thesis on the alleged "un-democratic" character of Trotskyism is as meager as can be. In fact, the sum total of this evidence amounts to a few quotations taken out of context.

The difficulty for Williams is clear. In its polemic against the Stalinists the Social Democracy can rely on the partial or total justification of repression in the Soviet Union and East Europe on the part of the CPs: "Some of us . . . reject the double standards of those who denounce the vicious suppression of political opponents in Chile and Rhodesia, but fall silent when law-abiding dissenters find themselves thrown into Soviet mental asylums or blown up trying to leave East Germany." But this sort of argument cannot be used against the Trotskyists, at least not without grossly falsifying the political positions of the revolutionary Marxists.

Revolutionary Marxists have been in the forefront of defense of victims of Stalinist repression for more than forty-five years now, including during times when the major leaders of the Social Democracy refused to commit themselves resolutely to this defense — for reasons of "political opportunity," which is to say crude opportunism. (Note, for example, the Social Democrats' refusal to resolutely defend the victims of the Moscow trials.) They have likewise been in the forefront of the defense of democratic rights in the capitalist countries, including when these rights are restricted or eliminated by Social Democratic ministers (for example the torture and repression introduced on a grand scale in Algeria by the government of the Social Democrat Guy Mollet, the fierce repression introduced in Malaya and Kenya by the Atlee Social Democratic government at the end of the 1940s, the ban on the employment of "radicals" in the public sector introduced in West Germany by the Social Democrat Helmut Schmidt). The practical balance-sheet of the attitude of the Trotskyists and the Fourth International as far as defense of democratic rights is concerned is thus clear and coherent — much clearer and much more coherent than that of any other current of the contemporary workers movement, and certainly much clearer than that of the Social Democratic right.

Unable to rely on the facts, Williams must instead resort to crude sophistry, the two major examples of which as follows:

"Do you accept that if the cause of socialism (as you define it) and the cause of democracy should come into conflict, you will stand by democracy?"

"The saddest illusion of revolutionary socialists is that revolution will itself transform the nature of human beings so that those who inherit total power in the revolution will act with disinterested fervour for the good of the whole community. It is not what history demonstrates; better by far that the tenure of power is limited both in time and in extent."

Our response to this sophistry is unequivocal. For us, socialism is defined by the total emancipation of labor, that is, by the elimination of all forms of exploitation and oppression among human beings. The self-administration of citizens — like the planned self-management of the producers — is an integral part of the Marxist conception of socialism. Thus, socialism as the Trotskyists understand it cannot exclude the enjoyment of the broadest democratic rights for all, at least in the industrialized countries. There is no socialism without socialist democracy. There is no socialist revolution in these countries without the conscious support of the majority. For the Trotskyists, the Soviet Union is not socialist but a society that has become bogged down and bureaucratized midway between capitalism and socialism as a result of its isolation under conditions of underdevelopment (an isolation for which the co-religionists of Shirley Williams of the 1920s and 1930s, from Ebert-Noske to MacDonald and Léon Blum, bear the major responsibility; Stalin is their offspring, illegitimate perhaps, but theirs nonetheless).

True to themselves, from the founding congress of the Fourth International the Trotskyists have demanded a plurality of political parties in the USSR. They did not wait for the belated contortions of the "Euro-communist" parties before pronouncing themselves forthrightly and without reticence against the principle and practices of the single party and against any form of the monopolization of the exercise of political and economic power after the abolition of capitalism.

To present the socialist revolution as a project to establish "total power" in the hands of a small clique is absurd. The whole history of proletarian revolution, from the Paris Commune to the Portuguese revolution, confirms that the revolutionary process is accompanied by an enormous extension and not any reduction of the activity and political power of the broad masses, that is, a distribution and not a concentration of real power. The program of the Fourth International, which integrates all the lessons of the revolutions of the twentieth century in this regard (both positive and negative), aims above all at the institutionalization of this distribution of power through the creation of a society in which direct democracy, the democracy of workers councils, neighborhood councils, and consumer councils, will seize the essential reins of power now held by the hyper-centralized

state. The point is, in other words, to prevent a counter-revolution subsequent to the revolution from depriving the masses of the power they have won. And historical truth requires that it be noted that the Social Democrats have played an equally vigorous role as the Stalinists in these counterrevolutions.

Capitalism or socialism

But Shirley Williams's argumentation is not only absurd. It is also profoundly dishonest. For this entire tirade against the revolutionary socialists is actually designed to camouflage the deeply antidemocratic character of bourgeois society such as it now functions in the West, not to mention the semicolonial countries.

In fact, a good dose of sophistry is required to accuse the Trotskyists of harboring an alleged project of "monopolizing power" through a future revolution while simultaneously maintaining silence on the real monopoly of power that exists in Britain today, which is the monopoly of power of big capital and its executive agents, that is, the several thousand members of the boards of directors of the big industrial, financial, and commercial trusts and the high functionaries and executives over whom the majority of the population has not the slightest control, whom it has never elected and whom it can never oust so long as the political conceptions of Shirley Williams are adhered to.

Britain today is in the grip of a serious economic depression. There are a million and a half unemployed workers. Real wages are going down and drastic cuts are being made in social spending, which has led to the massive reemergence of the harshest poverty in this country which not so long ago was still presented as the paradise of "well being."

Who made the decisions that led to this tragic situation? The masses of citizens and voters? Take a look at the Labour program on the basis of which the present House of Commons was elected and Shirley Williams "governs." There is no hint of any such proposals! Nor will we insult Wilson, Callaghan, Healey, and Williams by suggesting that they prefer unemployment to full employment. It may be said that these decisions were imposed on them by the internal logic of the capitalist economy. It may be said that these decisions were imposed on them by the "gnomes of Zurich and the City," to paraphrase the famous formula of Harold Wilson. In any event, these are but two sides of the same coin.

But in the concrete this means that when Shirley Williams and company were confronted with a specific choice — respect the mandate of the voters, carry out their election promises, stick to the declared goal of their party (which includes the socialization of the means of production, as stated in the well-known clause four of the official Labour program) or else yield to the diktats of big capital — they deliberately opted for the latter path.

This proves beyond doubt that under the "democratic representative parliamentary" system combined with the

capitalist system, both the "mixed economy" and the "distribution of power" are mere myths. The real powers commanded by ministers and elected deputies are quite minor. Real power is in the hands of big capital. To be sure, the latter has an interest in allowing the "elected representatives of the people" to command the appearance of power so long as conditions permit. But when economic and social tensions become too acute, appearances vanish and realities emerge. The Wilsons, Callaghans, and Williamses make speeches, mislead the workers, and slander the Trotskyists. The "gnomes of Zurich and the City" govern and impose decisions.

The real counterposition between the Social Democratic right and the revolutionary socialists is thus not the choice between socialism and democracy. It is the choice between socialism, with the support of the majority, and capitalism. The Social Democratic right rejects socialism. For them, this is adventure and chaos. ("I hate revolution like sin," said Ebert.) And they are prepared to trample on the will of the majority in order to avoid a break with capitalism.

Moreover, Shirley Williams affirms this openly, proclaiming that in a democracy one can govern only through "consent"; the alternative would be coercion. The conclusion is clear. When the parliamentary majority is bourgeois, one must bow down before the bourgeoisie, for the bourgeoisie is the majority. When the parliamentary majority is anticapitalist, one must still bow down before the bourgeoisie, for fear of breaking with consent and of being forced to move to coercion.

Capitalism or democracy

The hypocrisy of the argument is striking. When Shirley Williams uses the word "consent" she hints, without saying so clearly, "consent of the bourgeoisie and only of the bourgeoisie." For who could suggest that in Britain today the unemployed have "consented" to unemployment, the workers have "consented" to reductions in real wages, the pensioners have "consented" to poverty, the students have "consented" to reductions in grants?

In all these cases coercion was most definitely applied, both the coercion of law and the coercion of "economic necessity." But such is the logic of the Social Democrats that they find it normal to compel the victims of the capitalist economy, with no consent whatever, to submit to exploitation. But they are not prepared to eliminate capitalism, except with the assent of the capitalists. Obviously, they will wait quite some time before receiving that assent. In the meantime, coercion is applied in only one direction — against the proletariat and even, on occasion, against the clearly expressed desires of the majority of the voters. Deep is the mystery of this alleged devotion to democracy.

We are still not at the end of the ideological incoherence of Shirley Williams. By deliberately confusing democratic rights with "parliamentary democracy" (that is,

indirect democracy) she plunges into an endless chain of contradictions. She writes: "Do you share our belief in the liberty of each individual human being, in his or her right to express his opinions and religious beliefs truly and without fear of consequences?"

Our response is "yes," without any restrictions, precisely because we are convinced that there can be no counterposition between these rights and the struggle against the exploitation, degradation, and alienation of humanity and the toiler.

But the response of those who, out of desire to win the consent of the bourgeoisie, place maintenance of the social status quo on the same level as defense of elementary democratic rights and on a higher level than struggle against capitalist exploitation cannot avoid ambiguity.

So long as the majority of the workers accept the "rules of the game" of bourgeois society in exchange for reforms and material concessions, this contradiction can remain veiled. But as soon as the accentuation of social contradictions, the aggravation of the political crisis, the growing radicalization of sectors of the broad vanguard of the toiling population, and the growing politicization of the workers shake this equilibrium, a new painful choice is imposed on the Social Democratic leaders. The defense of the "consent" of the bourgeoisie, that is, of capitalist law and order, then requires restrictions on democratic rights. "Each human being must be free to express his or her opinions without constraint," except if they are "subversive," revolutionary Marxist, "anarcho-spontaneist" opinions.

The February 2, 1977, issue of *The Sun* reported that right Labour MP Neville Trotter had accused a group of young revolutionary socialists of having distributed "inflammatory leaflets" that "provoked anarchy" in a school in Newcastle. The aim of the leaflets was to organize protest against corporal punishment of the pupils. What convictions are involved here? The dictatorship of the proletariat? Not hardly! Simply the need for pupils to organize to fight against corporal punishment and police repression.

Is Shirley Williams in favor of corporal punishment, a barbaric and despotic practice if ever there was one? We do not know. Is she prepared to guarantee the right to agitate through the spoken and written word against this barbaric practice, even if the consequence of this "freedom of conviction" as expressed in leaflets is that "anarchy" takes hold in the school? We have strong doubts in this regard, but we would be pleased to be wrong.

If, however, our suspicions are confirmed, what does this mean if not that the "law and order" of the despotic stick wielders is more important to the Social Democratic leaders than the complete defense of freedom of speech and the press, and that they are prepared to resort to repression and to limit freedom of the press in order to avoid "agitation" and "anarchy"? Then the

formula of Shirley Williams becomes: "We are prepared to guarantee the right of every human being to freely express her or his convictions, except when such expression really threatens the 'law and order' of the bourgeoisie, in other words capitalist exploitation.

Let us take another example. Under the Social Democratic Chancellor Helmut Schmidt, any person in West Germany who expresses Marxist opinions, let alone revolutionary Marxist ones, knows that he or she will no longer be able to find a job in the public sector. Doesn't this mean that there is "fear of consequences" and enormous intimidation, especially for the hundreds of thousands of students who have no alternative but to seek employment as teachers in the public schools? We are unaware of any vigorous campaign on the part of Shirley Williams in favor of freedom of conviction, speech, and the press for German revolutionaries and Marxists. Undoubtedly, it must be concluded once more that faced with the choice of "defending bourgeois law and order" or "completely defending the freedom of conviction of all individuals without fear of consequences," the Social Democratic leaders prefer to defend capitalism and restrict democratic rights.

It may be objected: The cases you are citing concern the limitation of the rights only of a few thousand or tens of thousands of revolutionary "extremists," dangerous agitators. This objection, however, would be inconsistent from the very outset, since it is Shirley Williams who insists on the need to recognize and guarantee the right of freedom of opinion for all individuals. Why grant this freedom to the (very small) minority which is the big bourgeoisie and refuse to grant it to the revolutionary minority?

But be that as it may, the concrete dynamic, confirmed by all recent experience, demonstrates that limitation of the democratic rights of "small revolutionary minorities" is but the beginning of (if not the pretext for) a much broader repression against an entire wing of the organized workers movement, if not against the working class as a whole. In the situation of aggravated social crisis of late capitalism, given the pronounced fall of the average rate of profit and the prolongation of conditions that hover around stagflation, capitalism is less and less able to tolerate the unrestricted right to strike, the freedom to negotiate wages, the free organization of the workers struggle against the implacable class struggle waged by big capital, particularly through the introduction of massive structural unemployment. Hence the universal offensive of the bourgeoisie for an incomes policy, enthusiastically supported by the Social Democratic right.

Now, given the present relationship of class forces, it is impossible to impose an incomes policy without limiting the right of free expression. How can wildcat strikes be outlawed without also outlawing calls to wildcat strikes? How can factory occupations be outlawed without suppressing written defense of factory occupations? How can layoffs of "dangerous agitators" in the factories be legalized without suppressing the

right to speak, distribute leaflets, and produce newspapers calling for active solidarity with workers who are laid off?

The leaders of the German Social Democratic party who set the infernal machine of repression in motion in West Germany have already been faced with a situation in which a portion of their own organization is subject to state repression for reasons of opinion. For the Franz-Josef Strausses, "agitation" in favor of the collective appropriation of the means of production is "contrary to the constitution." But this call for collective appropriation appears in the basic program of the DGB, the West German trade-union federation equivalent to the British TUC. Can one be so naive as to fail to understand that for the British bourgeoisie, the witch-hunt in the Labour party against the Trotskyists is merely the preparation if not the pretext for a repression waged by the employers and the state against the most combative trade-union militants and the most combative wing of the proletariat? Already, according to the February 4 Sun, the Social Democratic Alliance, a right Social Democratic grouping, has accused Jack Jones, a major trade-union leader, of being "a declared opponent of Western parliamentary democracy" and an advocate of soviets! The witch-hunt is thus now spreading to a whole section of the trade unions. A sign of the times!

Implacable logic of class struggle

In this sense, the identification the Social Democracy makes between "representative democracy," institutions of the bourgeois-democratic state, and government through the "consent" of the bourgeoisie on the one hand and democratic rights on the other hand leads the Social Democracy into genuine suicidal disasters.

The "consent" of the bourgeoisie and respect for the bourgeois state apparatus is partially compatible with the survival of democratic rights for the masses only during relatively stable and prosperous periods for bourgeois society. When social and economic instability mounts increasingly, social contradictions sharpen in such a way that the bourgeoisie seeks to crush the freedom of action and organization of the workers movement, including that of the Social Democracy itself. Toward this end the bourgeoisie uses the permanent state apparatus, of which the repressive apparatus is the decisive element.

The only means by which to avoid the advent of bloody dictatorships when the objective basis for parliamentary democracy disappears is the extraparliamentary mobilization and action of the masses to break the conspirators and their inspirers in time, that is, to break the repressive state apparatus of the bourgeoisie. But for the Social Democrats this is to depart from the terrain of "legality" and "consent." Fixated on the impotent parliament until five minutes past midnight, they stand powerless before the liquidation of democratic rights and their own annihilation, for they reject the only possible defense of these democratic rights, which is the unrestricted mobilization of the masses, which en-

tails going beyond the "law and order" of the bourgeoisie.

In curbing, fragmenting, discouraging, and even breaking this mobilization during a period of inevitable general class confrontation, the Social Democratic leaders dig their own graves as well as the grave of democratic rights. The tragic examples of the rise to power of Hitler, Franco, and Pinochet attest to the price paid in blood by humanity for this parliamentary cretinism.

"But this can't happen here, where the army has a deep democratic and constitutional tradition," reply the Williamses and Callaghans, just as Allende replied in Chile. Really? All our quotations from Williams's speech come from the January 22, 1977, issue of *The Guardian*. On page 24 of the same issue of the same newspaper, under the revealing headline "Unions Helped to Avoid Coup," we read the following report of a speech by Jack Jones, a major British trade-union leader. "Two years ago we could have easily faced a coup in Britain. The fear of hyperinflation was strong. There was talk of private armies being assembled. There was talk of the end of democracy. . . . Questioned afterwards, Mr. Jones insisted that there had been what he describes as 'loose talking' around the top echelons of society. He maintains that the people then — 'colonel this and captain that' — were still around and were not concerned about providing decent conditions for working people in Britain. They only wanted to 'keep the workers down.'"

The typical reaction of the Social Democrats in face of such a situation is to retreat, bow down, and demobilize the masses "so as not to provoke reaction." If the social crisis is grave, this is the surest road to a coup.

Granted, Britain is not yet at that point. But Chile in 1973, Spain in 1936, and Germany in 1933 all arrived there, in particular because of parliamentary cretinism and refusal to defend democratic rights effectively, thus clearing the way to dictatorship. Under similar conditions which could develop in the future, the British General Kitson will not be any better than the Chilean General Pinochet.

An old Arab legend retold by the British author W. Somerset Maugham recounts the story of the servant of a Baghdad merchant who was frightened when he met Death in the market. To escape, he hurries to take to the road to Samara. "Why did you frighten my servant," the merchant asks Death. "I didn't mean to frighten him," replies Death. "It's just that I was surprised to see him in Baghdad, for I have an appointment with him in Samara tonight." Shirley Williams wants to defend "democracy." At the same time, she does not want to break with the consent of the bourgeoisie and wants at all costs to respect the "law and order" of big capital, upheld by a repressive apparatus which is anti-democratic by nature. Let her take to the road to Samara, then, over which hover the shadows of Hitler, Franco, and Pinochet.

February 3, 1977

SP

THE WORKERS

The Adolfo Suárez government had reason to be nervous on January 23. Its relations with the opposition were marked by unfree elections to parliaments and not constitutions. For their part, the workers were continuing to demand reforms created by the political capitulation of their trade-union federations in face of the employers. Those demands most strongly felt among the workers were, especially the demand for total amnesty. No demands were made at this point. On January 23 the association of workers in Madrid to a demonstration, which was banned, and the call was maintained.

Madrid was occupied by the police that Sunday. The police were the armed fascist gangs. Some 8,000 people were arrested. Arturo Ruiz, an 18-year-old worker, was murdered. An explosive reaction swept the country, again. A strike was called for January 26. There were strikes in many cities. A gas bomb fired at point-blank range shattered the windows of the five leftist lawyers. This was the "black day" of the Political Bureau of the Liga Comunista Revolucionaria (League) issued the following statement analyzing the situation and its response to it.

There were tens of thousands of us in the streets of Madrid today. We were all together, chanting together, marching in the streets together, expressing our common rage and our common strength, demonstrating this strength for all who cared to see, and for ourselves as well. More, hundreds of thousands of workers went on strike throughout the country in an immense demonstration of pain and fury. Probably, the majority of them also wanted to take to the streets, to unite in the streets with the other comrades to demand justice, rights, and freedom. But they did not do so, as they did not do so on November 12, 1976, because the leaderships in whom they trust told them that it was a provocation to take to the streets, just as they did in November.

A provocation? To whom? To the workers and the people? Certainly not, for it was the workers and people who were demonstrating, it was the workers and people who applauded from the sidewalks, took up the chants, and raised their clenched fists. A provocation to the fascist murderers then? No, not even that, for when in the history of the workers movement have the fascists been "provoked" — that is, stimulated or emboldened by the demonstrations of strength of the workers? What has in fact occurred, unfortunately many times, is exactly the opposite. The demobilization, demoralization, disunity, and passivity of the workers,

IN S WILL WIN!

relatively satisfied on the eve of January
by a honeymoon atmosphere. The pending
assemblies seemed secure.

gle, in spite of the enormous difficulties
ity leaderships and the passivity of the

ovement continued to mobilize thousands,
trusted the promises of the government on
political prisoners called the people of
the government. In spite of the ban, the

nd as usual, along with the official police
suffered brutal attacks that lasted for hours.
by the fascists.

usual. That same Sunday a general strike
demonstrations on Monday. During one of
ent, was murdered by the police: a tear-
fall. Shortly after came the slaughter of
that shook the country. On January 27
lonaria (LCR—Revolutionary Communist
the situation and offering a revolutionary

brought about by the cowardice of their leaders, have
strengthened fascism. Is it time to forget Chile? More
to the point, is it time to forget March 11, 1975, in
Portugal, when the explosive street mobilization of
the workers succeeded in aborting a reactionary coup?

In the end, then, exactly who was "provoked"? The
government? Maybe this is the answer, but it is a
particularly cynical one, for the struggles of the
workers always "provoke" bourgeois governments, espe-
cially governments as reactionary as the one we endure.
A government that has just offered a truly exemplary
response to the "favors" and praises that have been
bestowed on it by the "opposition." Thus, the govern-
ment has just elevated the recommendation that "action
in the streets be avoided" to the status of law, prohibiting
any sort of demonstration. It has announced that the
"anti-terrorist" decree-law, whose "vigorous" application
will, as always, be directed against the revolutionary
organizations, will remain in force, and it has given
4,000 million pesetas more to the repressive bodies, un-
doubtedly a bonus for their intervention during these
past days.

But let us look ahead. While still feeling our grief for
the dead comrades, our indignation against their
murderers, our shame for those who could have stimu-

hopes in the thousands of workers who struggled against
fascist terrorism in one form or another, it is now
necessary to think about the situation and to offer a
revolutionary response.

And to do this it is necessary to rethink the history of
past months. These months during which, we have been
told, we have entered "a process of democratic normaliza-
tion."

The "process of democratic normalization"

In a little less than a year of Francoist monarchy we
have experienced more workers and people's struggles
than in any comparable period since 1939. These
struggles succeeded in demolishing the first version of
the government reform, but they were nonetheless unable
to demolish the second. Why?

The Arias government was a Francoist government. Its
real objective, regardless of the demagogy now being
engaged in by some of its former members (former
Minister of the Interior Fraga's "rightist" demagogy,
Areliza's "center" demagogy), was to introduce the
minimum possible reforms in the system as regards the
economic, political, and social interests that lay at
the base of Francoism. Once the dictator was dead,
however, this project no longer made sense. Only a
minimum and inevitable extension of the "tolerance"
of the mass movement was necessary before the activity
of the workers reached frightening proportions through-
out the country. The January 1976 strikes in Madrid and
the struggles for amnesty throughout the state (Vitoria,
Montejurra, and elsewhere) showed that a workers
movement, in spite of its being "illegal" and in spite
of mounting repression, was capable of organizing and
asserting its own interests, of struggling with uncon-
trollable determination for demands that went beyond
the ability of the bourgeoisie to make concessions. The
country was polarized: Day by day the interests of the
bourgeoisie and the interests of the workers appeared
increasingly irreconcilable. The monarchy itself
tottered.

Then the king himself, in a maneuver of "self-defense,"
had to enter the political arena actively, going over
the head of the government. With the advice of
imperialism received during his visit to the United
States, after his interviews with members of the
"opposition," and following consultations with military
and financial circles, the king altered the goals and
course of the reform.

The Suárez government is a bourgeois government. Its
objective is to bring about a controlled evolution to-
ward a state of "truncated" democracy, a "strong state"
based on an untouchable monarchy and army, a
complexity of "legal labyrinths" within the new
parliament (which eliminates the risks of a Constituent
Assembly and assures the maximum of constitutional
stability), a reorganization of the bourgeois political
forces that establishes a "center" parliamentary
majority, and a stabilization plan negotiated with

among which an attempt is being made to shift the relationship of forces in favor of the Partido Socialista Obrero Español (PSOE — Spanish Socialist Workers party, Social Democratic) and against the Communist party of Spain (PCE).

The achievement of this project requires one decisive precondition: that the activity and radicalization of the masses be reduced and worn down. To bring this about, workers and people's organizations and actions must remain illegal and therefore subject to repression. By means of a well-known decree-law, arbitration was established as the "natural" and immediate outcome of the majority of wage negotiations. And above all, the government began "negotiating" with the opposition.

Naturally, the "democratic opposition" also felt the impact of the social polarization of the country. The form in which it responded was the "negotiated break" (*ruptura negociada*) with Francoism, accompanied by an obsession with maintaining the paralysis of the mass movement. Given these conditions, the obvious consequence was that the government laid down the rules and limits of the negotiations without resistance. When we said that "the negotiated break amounts to hitching the mass movement to the wagon of the reform," we knew what we were talking about.

The combativity of the workers overcame a thousand obstacles to drive forward the great struggles of past months, during which it was demonstrated for the umpteenth time that when a clear political objective exists (as in the general strikes of September in Tenerife, Madrid, and Euzkadí, and as is the case now) and when the passivity of the reformist leaderships can be overcome, or when they are forced into united action, the potential for combat and resistance can be immense (November 12, Roca, Valencia, the construction industry, etc.).

But the mass movement lacks a political alternative of its own, a political project with which it can confront the government, a project worthy of the arduousness of the struggle. The formation of the "commission of 9"(1) meant that the entire "bourgeois" opposition and the reformist workers parties would limit their "program" to haggling on the basis of the government project. The majority of the "united organizations of the opposition" are experiencing an inevitable and virtually irreversible crisis: For one decisive year now they have played their role of curbing the mass movement and fostering false illusions within it.

As January 23 drew near, it was clear that the fundamental task of revolutionaries was to build this political alternative. For in the final analysis, we are not living through any sort of "process of democratic normalization," unless "normalizing democracy" means keeping the prisoners in jail, transforming the democratic and national rights and freedoms of our peoples into a farce, worsening the living conditions of the workers, keeping the workers movement illegal, and, as a "culmination" of the whole project, holding unfree

elections to parliaments and not constituent assemblies. All this has nothing to do with the democracy and freedom for which we have been struggling for so many years.

We shall continue this struggle, day by day. January 23 was one of the days of this struggle. The government prohibited the demonstration and sent its repressive forces into the streets to savagely repress the demonstrators, relying, as always, on the collaboration of the fascists. Thus began the tragedy of past days.

The strategy of tension

For almost forty years the fascists have been cosily ensconced in the Francoist apparatus. They took over the Movimiento Nacional and the hierarchy of the CNS (the official "trade-union" federation) and occupied key posts in the courts, the army, and the repressive bodies. Some of them made considerable fortunes, and we find many of them sitting on boards of directors, in the management of national and private companies. And so it continues.

After the death of the dictator, this sinister network of economic and political interests felt threatened, and the "strategy of tension" was set in motion. A strategy whose protagonists need not be sought in Croatia, Argentina, or Italy, but right here, well within. Protagonists who must not be confused with those who may not be among them.

The aim of this bloodletting is, in the first place, to demoralize and disorganize the workers movement, so that the workers come to believe that on their own they are incapable of responding to the aggression. The second aim, which is based on the first, is to advance the immediate interests of that sector of big capital which has most directly benefited from Francoism and which fears that any political change would seriously weaken its positions. Third, the fascists represent the reserve card of the entire bourgeoisie, which is prepared, should it be necessary again, to opt for the "final solution." It is in this way, and not on the basis of "international conspiracies," that the strategy of tension must be understood.

With this characterization, we must confront those who hold up the immediate specter of a "coup", utilizing it as an excuse for their own capitulations. For it must be said at the outset that a coup is highly improbable, for one fundamental reason: the combativity and strength of the workers. The bourgeoisie knows that to defeat the workers militarily they must first be defeated politically, so that they lose confidence in their own strength, renounce realization of their class program, and become divided among themselves. The Spanish bourgeoisie possesses weapons with which to try to inflict this political defeat, the weapons of the strong state and of "class collaboration." The most likely variant is that the bourgeoisie will use these weapons to the hilt and will not risk the unity of its army in a putschist adventure that would meet fierce resistance from our people.

But let us admit the possibility. How should we confront a reactionary coup? By keeping the workers in the factories, leaving the streets free, relying on one group of generals to disarm the others, relying on the government to send out its police to keep itself in power? This "tactic" has cost literally hundreds of thousands of proletarian lives and has resulted in the worst defeats in the history of the workers movement. What must be done is exactly the opposite: Call upon the workers to unite, place themselves at the head of the entire population, lead this population politically and militarily, draw all the comrades in uniform to their side and prepare to crush fascist barbarism once and for all, and with it capitalist exploitation in all its forms.

To fight the strategy of tension a strategy of revolution is needed. It is necessary to prepare ourselves and the working class for such a strategy through daily struggles in each concrete situation. You cannot fight the fascists by negotiating with those who neither can nor want to deprive them of their impunity.

The strategy of negotiation

On January 24 Felipe González (leader of the PSOE) declared: "The best response to extremist violence is to continue negotiating."

All criticism of the government vanished from the mouths of the "opposition." Instead, all its efforts were concentrated on prettifying the government: "Adolfo Suárez is maintaining great serenity and has the situation under control." This total capitulation to the government was openly manifested in the attitude of the entire "democratic opposition" throughout these days.

Popular indignation grew rapidly after the murder of Arturo Ruiz. New demonstrations followed one after the other. A general strike was called for January 26. The Coordinación Democrática had been dead for many weeks; it was carrying on no activity. And at this point the "opposition" decided to resurrect it. To strengthen and coordinate this popular indignation? No, just the opposite. To hold it back. During the meeting this body held January 24 the PSOE and ID(2) vetoed the presence of the LCR with observer status. Thus, a workers organization, the PSOE, preferred an agreement with the ID and negotiation with Suárez rather than an alliance with a revolutionary organization. In reality, this meeting was merely a fraud aimed at restricting and holding back the activity of the mass movement. The Coordinación Democrática opposed any organization of struggle and simply decreed a day of mourning.

The same night, the so-called Triple A savagely murdered five militants of the Workers Commissions, members of the PCE. Once again, the reaction of the mass movement was explosive. The immense majority of the factories of Madrid went on strike. There were strikes in Barcelona, Bilbao, Seville, and other cities. The mass movement initiated a general strike to put an end

once and for all to a regime whose continued existence is the cause of new murders every day. Up to this point, the PCE had participated in various united committees and initiatives to prepare a day of struggle for January 26. But just then, when unity and organization were most necessary, the PCE made a 180 degree turn and withdrew from the committees, initiating a campaign of general demobilization. The Workers Commissions, which in many centers had already begun organizing struggle, curbed their activity and were used instead to extinguish the indignation of the workers. The COS called for holding back the struggle, for preventing it from taking to the streets.

And once again the Coordinación Democrática was used for this demobilization. A state-wide meeting of this body was called for January 26. The PTE, ORT, and MC(3) decided to hold off on united accords we had proposed to them, preferring to wait for this meeting. But the night before, the "opposition," from Carrillo to Areilza, agreed to call for demobilization.

Thus, the entire "policy of negotiation" was reduced to a single objective: hold back the mobilization and thus free the government's hand, not only right now, but in the long term as well, preventing the regime from losing the "political initiative" (which means preventing this initiative from passing clearly to the mass movement), allowing and aiding all the measures needed to "control" the working class and the people. And the Council of Ministers did in fact take these measures.

Fortunately, the masses had moved into struggle in spite of all the obstacles. And they insisted on continuing. The only hope of bringing down the Francoist monarchy, along with its repressive corps and fascism, is rooted precisely among the masses, in their action. Also fortunately, the reformist parties are workers parties and therefore came under pressure and were outflanked by thousands of Communist and Socialist fighters who are members of them. Now in particular, we address ourselves to them, as well as to the comrades of the ORT, PTE, and MC who have long relied on collaboration with the bourgeoisie, on the Coordinación Democrática, on negotiation with the government: Comrades, we have not struggled for forty years in order to bow before our class enemies or before a murderous government, nor in order to accept truncated freedom. We want complete freedom. And there is a way, a strategy, to achieve it and to combat all the "strategies of tension" and "strategies of negotiation" that have been placed before us.

The strategy of revolution

This strategy aims at a single objective, which is to make sure that the workers always draw the same conclusion from the concrete experiences of all their struggles: that to assure and extend democratic rights, to guarantee the rights of the workers and people, to win all their demands, capitalism must be destroyed.

This is the fundamental content and orientation of the revolutionary strategy, which must be transformed into

effective and practical terms in each concrete situation.

The bourgeoisie in our country today has a political project it considers credible and consistent: the project of the Suárez government for a "strong state" monarchy.

As against this project, there is a consistent and credible revolutionary alternative, which can be summed up in five points, like the five fingers of a fist. We will fight for the working class to make this project its own.

The first point: Carry the destruction of Francoism, the struggle for democracy, through to the end. Win complete amnesty and full democratic rights, most especially the right of self-determination for the nationalities. Demand the dissolution of the repressive bodies and the purge of the army, the courts, and the administration; exact responsibility for the crimes committed against the workers and people. Demand a break with all pacts with imperialism, with all their consequences. Struggle for free elections to a Constituent Assembly that will sweep away Francoism and proclaim the Republic.

The second: Fight against any form of social pact. Refuse to bear the burden of the capitalist crisis. Struggle for decent living conditions (housing, health, education, transit, etc.) and decent working conditions (wages, workweek, work pace, security).

The third: Organize, for the strength of the workers lies in their united and democratic organization. Struggle with all possible strength for a united trade-union, for a trade-union congress to constitute a united class trade-union. Struggle for higher forms of workers democracy: bodies composed of delegates elected in rank-and-file assemblies and revocable by those assemblies. Coordinate and centralize them. Create the necessary special organs: particularly today, antifascist and self-defense vigilance committees.

The fourth: Toward the general strike, because the independent, united, and centralized action of the masses is the only way to fight against exploitation and for freedom.

The fifth: For a government of the workers parties, for only the working class is capable of leading the struggle of the entire people for their economic, political, and social demands. Only the working class is capable of consistently confronting all forms of resistance from the bourgeoisie. When, in face of the crisis of the Suárez government, the prospect of governments of interclass coalition begins to loom on the horizon, governments which are instruments for capitulation and demoralization of the workers, it is necessary to show the working class that it is the workers themselves who have the answer to the problems of society, that it is the parties in which the workers have placed their trust that must govern, basing themselves on the organizations of the workers and responsible before the workers for putting all the demands of the workers and people into practice.

With this fist we can confront the complex and difficult situation now opening. With this fist we can fight against Francoism, the remnants of Francoism, and truncated democracy and for freedom in the full sense, against the social pact and for the self-organization of the workers and workers democracy.

What a situation for those who believe that the revolution is a series of perfectly separate and distinct stages! In this situation, it will be necessary to be able to maintain the class independence of the workers come what may; every opportunity for united action that strengthens workers consciousness and combativity will have to be seized upon.

We shall join this battle and we call upon all the workers parties to join it with us, and especially the militant and revolutionary workers organizations that are now rejecting the "strategy of negotiation" and are ready to fight consistently for the demands of the workers. Let us forge unity in action together, let us fight for the workers united front.

We shall join this battle tirelessly, without renouncing a single point of our program, seizing upon every opportunity to make this program come alive in the daily actions of the masses.

They have called us "provocateurs." We knew they would and we were prepared for it. In the whole history of the workers movement not a single revolutionary organization has escaped this charge. Lenin, Trotsky, Rosa Luxemburg, Liebknecht, Nin — they were all called "provocateurs." So we are in good company.

Above all, we are in the company of the working class. And since the working class will win, we also will win.

Political Bureau of the Liga Comunista Revolucionaria
January 26, 1977

NOTES

1. The "commission of 9" is a body composed of six representatives of parties and political currents (liberals, Christian Democrats, Social Democratic federation, Socialists, and Communists) plus three representatives of nationalities (Galicia, Euzkadi, Catalonia). It is charged with representing the entire "democratic opposition" before the government. It has recently become the commission of 10 with the addition of a representative of the COS, a coordinating body including representatives of the Workers Commissions, the Socialist-led UGT union federation, and the Christian Democratic influenced union grouping, the USO.

2. ID: Izquierda Democrática (Democratic Left) a left Christian Democratic grouping led by Ruiz Giménez.

3. ORT: Organización Revolucionaria de los Trabajadores (Revolutionary Workers Organization). PTE: Partido del Trabajo de España (Labor party of Spain). MC: Movimiento Comunista (Communist Movement).

PORTUGAL



THE FIGHT AGAINST SOARES'S AUSTERITY

by GEORGE BUARQUE

"Information on the mobilization and preparation of the workers for struggle is contradictory; it varies from sector to sector." Thus began the chapter on the situation of the workers movement in the resolution passed by the assembly of Portuguese Communist party cadres held December 18, 1976.

Exactly what is the situation of the workers movement? What was the impact of the recent struggle of the public service workers? What is the import of the congress of the Intersindical (the trade-union federation) and the crisis of the Socialist party?

Rising workers combativity

At the end of January, a few weeks after the election of their trade-union leadership, public service employees demonstrated at São Bento. Against the 15% wage increase proposed by the government, some 10,000 workers demanded an across-the-board increase of 2,000 escudos a month. Previously, 60,000 workers had signed petitions demanding the same thing. But upon arrival at São Bento, the union leadership (dominated by the CP) limited itself to asking for negotiations, without presenting any specific demand, even though this leadership had been elected on the basis of a platform containing an explicit defense of this objective of struggle.

Because of this policy, the strikes were isolated. The CP has systematically opposed the development of other forms of struggle. This explains why labor contracts have remained suspended for more than a year and why there has still been no overall response from the working class. Nevertheless, the situation is now beginning to change.

In 1976, after the formation of the Soares SP government, and following an initial moment of hesitation, some significant sectors of the working class did mobilize: the textile workers, employees in commerce, shoe workers, sectors among the most exploited but also the most disorganized on the trade-union level. Thus the trend toward the generalized dynamic of unification of struggles which had held sway before November 25, 1975, and even during the final phase of the sixth government, was reversed. This situation weakened the workers movement, intensified its divisions, and enabled the Soares government to move to the offensive. In September 1976 the workers at Lisnave and Setnave shipyards accepted the administration's proposal, which rejected the forty-hour week and across-the-board wage increases of 1,000 escudos a month for all; in fact, it even introduced new divisions in wage categories.

One hundred and one agricultural properties that had been seized by peasants in 1975 were evacuated. The right of reserve (the return to landlords of a portion of

land occupied by peasants) began to be applied. On September 9, 1976, Soares issued a call for a battle for production and a social pact: "Hard work and discipline, that is the first precondition for emerging from the tunnel in which we now find ourselves." And he added: "The government calls upon trade-union officials and all workers in general, as well as the employers, to increase productivity at all costs. This is an urgent national imperative. . . . In the interests of the workers, the situation must be clarified. Given the impossibility of immediate layoffs, many enterprises won't create new jobs or accept new projects." To concretize the "demands" of the Social Democratic leaders, a law on layoffs was adopted in 1976. Some of the grounds on which layoffs are allowed are: "1. illegitimate disobedience of the orders of supervisory officials; . . . 5. damaging the property of the enterprise; . . . 7. a number of unjustified absences amounting to five consecutive or ten non-consecutive days a year; . . . 12. abnormal reduction of the productivity of the workers."



The first phase of trade-union mobilization, coinciding with preparation for the congress of the intersindical, led to the day of struggle of November 27, 1976: Some 30,000 workers turned out to the May 1 Stadium in Lisbon, but they were offered no specific rallying cry. The toughest struggles and strikes dragged on, the employers refusing to negotiate and the government declining to intervene. Nevertheless, the pressure of workers combativity persisted. The construction workers of Madeira, under the leadership of far-left militants, launched a strike that led to a partial victory in two weeks. But the construction workers on the mainland did not budge. The workers of the "margem esquerda" collective production unit surrounded a plot of property slated to be returned to a British landlord and held their position for quite some time. But there was no solidarity movement. In two textile factories, Maconde (in Braga) and M. Lopes Henrique (in Lisbon) there were protracted strikes with factory occupations against the layoff of two union delegates.

But it was only in December 1976 that the struggles once again began to have an impact on the political situation. The postal workers strike of December 15, 1976, heralded some important mobilizations, particularly those of the teachers and public service employees.

These struggles must be located in a socioeconomic context which is increasingly marked by crisis. The secretary of state for the economic plan has admitted that the rate of unemployment is 14%. But the real figure must be on the order of 29% (700,000 workers), which represents an increase of 30% since December 1975. According to government figures, real wages declined 17.5% last year; according to the figures of the trade unions and the workers parties, the decline was 25%.

But at the same time, the government is having great difficulty launching an offensive against the toiling masses in order to create the conditions for a bourgeois anti-crisis policy. The resistance of the workers movement to anti-union legislation threatens to turn into mass mobilizations. Meetings of trade-union leaders, delegates, and members of workers commissions held in Lisbon on November 6, 1976, and in Porto on January 9, 1977, reflected a growing radicalization: nearly 10% of the delegates declared themselves for preparation of a national strike for collective bargaining contracts, a proposal made by union militants supporting the positions of the Liga Comunista Internacionalista (LCI — Internationalist Communist League).

After an initial offensive, the duration of which was prolonged by the results of the elections, the government is now confronted with greater combativity and a permanent crisis which places it in opposition to the rank-and-file workers of its own party, the SP. This is accompanied by a deepening of political opposition from the bourgeois parties and pressures from the military hierarchy. Soares will now stake everything on his next move: a deeper attack on the trade-union movement and the agrarian reform. This attack will be concretized in legislation challenging some of the decisive gains of the toilers: workers control, the workers commissions, and the collective production units (in agriculture).

Economic and political crisis worsens

The municipal elections of December 12, 1976, confirmed the combativity potential of the working class. Although they did not qualitatively alter the political situation, these elections did highlight the depth of the crisis of bourgeois leadership. In spite of the limits of the comparison, it should be noted that the PPD (Partido Popular Democrático — Popular Democratic party, largest bourgeois party in Portugal) lost 275,000 votes compared with its performance in the legislative elections of spring 1976 (and 475,000 votes compared with the 1975 elections to the Constituent Assembly). The CDS (Centro Democrático Social — Social Demo-

cratic Center, the "rightist" bourgeois party) lost 171,000 votes (which represents 20% of its total vote in the legislative elections). For its part, the Socialist party lost 500,000 votes (750,000 compared with the Constituent Assembly elections). Like the PPD and CDS, the SP lost ground everywhere (except in Beja). On the other hand, the Communist party got twice as many votes as its candidate, Octávio Pato, did in the presidential elections last year, although in absolute figures it did not attain the record result of the legislative elections. The GDUP (Dynamization Groups of Popular Unity, the far-left grouping established around the candidacy of Otelo Carvalho in the presidential elections) did not succeed in amassing the sum of votes received by the MES (Movimento Esquerda Socialista — Left Socialist Movement) and the UDP (União Democrática Popular — People's Democratic Union) in the April 1976 legislative elections.



Obviously, it was the bourgeois parties that suffered most from the increase in the rate of abstention (35% as against 20% during the legislative elections). This has prevented them from launching the offensive that PPD leader Sá Carneiro declared inevitable after the elections.

In fact, before the municipal elections Sá Carneiro told the congress of his party: "Faced with an ineffective government and an Assembly of the Republic in which there is no stable majority, the president will surely be called upon to play an increasingly active role in the framework of the functions attributed to him by the Constitution." The PPD was shifting its orientation, now aiming at a government the backbone of which would be made up of a bloc between the PPD and the SP. Further, a preference was indicated for a military government under the direct control of President Ramalho Eanes. The CDS also developed the same orientation.

But the municipal elections provoked some disarray in these circles. Sá Carneiro upped the ante, stepping up his attacks on the government and his calls for military intervention. The CDS, on the other hand, moderated the tone of its criticisms. The basic difference between Sá Carneiro and Freitas do Amaral of the CDS lies not in the definition of the objective. Both agree that only General Eanes can resolve the situation, either by exerting pressure on the government or by changing it. But the CDS better understands the character of the relationship of social forces. After its big meeting in Rio Maior in October 1976, which was directed primarily against Social Democratic Minister of Agriculture Lopes Cardoso, the Confederation of Portuguese Farmers (CAP) has hardly been heard from. The Confederation of Portuguese Industry (CIP) maintains a certain level of activity but is not capable of taking initiatives having a broad audience. Thus, neither the bourgeois parties nor their organizations (CAP and CIP) are in position to polarize clearly majority sectors of the "middle classes" around them.

Nevertheless, it would be dangerous to underestimate the process of recomposition of the state apparatus or the degree of initiative this confers upon the bourgeoisie. The November conference of the Bank of Portugal and the German Marshall Fund demonstrated that imperialism now has a more concerted tactic of economic blackmail. The military hierarchy is now much more solidified around Eanes. The latest changes in the Council of the Revolution testify to this. The far right sectors (Pires Veloso and Morais E. Silva, "councillors of the revolution" linked to the terrorist network) are now very much pushed to the sidelines. But while a direct military intervention, demanded by the entire bourgeoisie, is not possible given the present situation of the class struggle, the danger nevertheless exists. At the same time, the continued existence of the Mario Soares government demonstrates to what extent the gravity of the political crisis, in view of the relationship of class forces, still requires the maintenance of a government of class collaboration, a government whose fragility is nonetheless highlighted by the depth of the social and economic crisis.

The economic crisis

In spite of some signs of a positive turn in the economic situation (diminution of fiduciary circulation, total banking deposits have attained the historic record of 400 million escudos; some sectors—such as construction — which exert strong multiplying effects experienced an upturn during the summer and the beginning of autumn), the indices of the increase of industrial production in December fell well short of government target. Some sectors are already beginning to exhibit the limits of a short-term inflationary recovery: construction has already slowed down and this trend will deepen. Production in the food sector, the only branch to undergo an expansion during 1974 and 1975 (in October 1976 its production was 14% higher than in

October 1975) is now declining spectacularly. The only branch now registering growth is equipment goods.

For the first five months of 1976 total growth in the transformation industries was 4%; in September growth reached 6% compared with the same period of the preceding year. The growth in the equipment goods sector cannot conceal the modesty of the results achieved compared with the overall economic objectives set by the government and by "Plan 77": a 5% increase in gross domestic product, with a 10% average annual growth rate of industrial production and a 15-18% yearly increase in investment. These are, in fact, extremely low targets, inferior to the actual development that occurred during the period 1972-73. Hence, the creation of 50,000 new jobs and the reanimation of the export sectors did not take place. On the contrary, the return to their former owners of "intervened" and "self-managed" enterprises, the imposition of a "battle for production" in the nationalized enterprises, the extension of the workweek, and the laws on layoffs will stimulate increasing unemployment and inflation and will generate social tension.

In substance, the government is limiting itself to again taking up the economic project of the Caetano regime. Moreover, Walter Rosa, minister of industry up until a few weeks ago, was one of the authors of these plans when he was a functionary in governments before the April 1974 coup. This economic option (for example, concentration of 30% of industrial investments in a single complex of Sines) resolves none of the problems. What good is all this, the capitalists ask, if the private sector still lacks the requested guarantees, if there is no radical reconversion of the productive system, if the restitution to their former owners of enterprises under "self-management" is held up.

Neither the formal promise of Mario Soares to impose a forty-eight-hour week in the productive sector and a forty-hour week in services, nor the 2,500 men of the NATO brigade stationed 100 kilometers from Lisbon will be able to permit resolution of this problem.

The depth of the economic crisis, the resistance of the workers, and the political and social crisis mean that only a generalized confrontation will be able to qualitatively transform the present period of the class struggle. For the bourgeoisie, this would require the ability to destroy the gains of the period prior to November 25, 1975, in particular the freedom of action of the trade unions and the workers parties. No intermediary solution will be able in the medium term to escape the contradiction between this objective and the reality of the present relationship of social forces.

Recomposition of the workers movement

The presidential elections, the formation of the Soares government, and the initial struggles against the austerity plan opened a new period dominated by the recomposition of the organized workers movement. Clearly, the most spectacular element here is the crisis

of the SP and the formation of a left wing within it. But the crisis is not limited to this. The weakness of the SP government lies in the persistence of workers combativity and the fragility of the SP's organized base in the workers movement and the trade unions. The SP now has 600 factory sections, less than 90 of which are in the Lisbon industrial belt. The "open letter" — a trade-union grouping linked to the SP — won the adherence of 69 unions, but its September 1976 meeting, the most representative one, was attended by only 50 delegations. Finally, the permanent gap between the SP's electoral influence among the workers and its organizational capacity leaves the SP leadership excessively narrow maneuvering room for the application of its policy.

In light of this, the rapid emergence of a left wing within the SP is understandable. It began to meet and organize during and after the party's second national congress in November 1976. The heterogeneity of this left wing is the product of the very factors that account for its development. Distinct political experiences separate the most radicalized cadres frontally opposed to the Social Democratic policy (Aires Rodrigue, Carmelinda Pereira, the Lisbon teachers union), those sectors that were previously most tightly integrated into the political apparatus of the Social Democracy (Lopes Cardoso for example), and the trade-union militants (those who opposed the orientation of the CP bureaucracy and those who have had experiences in unity in action, such as K. Barreto, probably future secretary general of the Intersindical). The public appearance of this left wing (2) began between the November 1976 congress and January 1977, with the challenging of the essential axes of the policy of the government. At the second congress in November 1976 the "left dissidents" obtained 210 votes against 610 for the majority (that is 25% of the vote). At the special SP congress in January 1977 they won 117 votes against 394 for the majority (21%). They express the existing workers combativity within the SP and now represent the majority of factory militants and members of the Socialist Youth.

Meeting one week before the January special congress, militants suspended from the SP and those supporting them were unable to reach agreement with various personalities such as Lopes Cardoso. On the eve of the congress, 80 Young Socialists (the opposition had obtained 147 votes against 152 in the SP youth congress) had also prepared a response to accusations of "Trotskyism." (3) The representation of this left wing in Porto despite the repression was indicative of the continuity of this current and of its close links to the party rank and file. But the left wing's difficulties in the trade-union movement, the impasse of the "open letter" group, and the division over whether or not to participate in the congress of the Intersindical, combined with the policy of obstructing struggles being applied by the Stalinist bureaucracy, make a policy of unity of action of the working class around central demands difficult in the immediate period ahead. Such unity would require a rapprochement between the trade-union currents linked to the SP and CP, among other things.

The lack of this unity weakens the battle this left wing wants to wage against partial aspects of the austerity plan.

The concrete forms of development of this recomposition of the workers movement are also linked to the policy of the CP in the mass movement. Because of the structure of its base and the centralization of its fraction, the CP now possesses broad maneuvering room in trade-union struggles and leads the majority sector of the organized workers movement. With about 2,500 factory cells, the CP has managed, after the festival of its newspaper *Avante* and its eighth congress, to reorganize its intervention and regain a grip on its working class rank and file. As a function of the evolution of the SP and the government and the crisis of the GDUP, the CP has blocked preparation of struggle and has extended its orientation—negotiate!—to the whole union movement.

Under the cover of a violent criticism of the government (4), the Cunhal leadership is in fact camouflaging a capitulation to the military hierarchy. The leadership is thus led to say: "Given the difficulties resulting from the blindness of some of the SP leaders, the eighth congress of the CP has proposed a second democratic alternative (the first being an understanding between the CP and the SP), namely the formation of a government presided over by a personality not in any party, whether a civilian or an officer, with the participation of members of the parties, independents, and officers and with the support of at least the SP and the CP." (5)

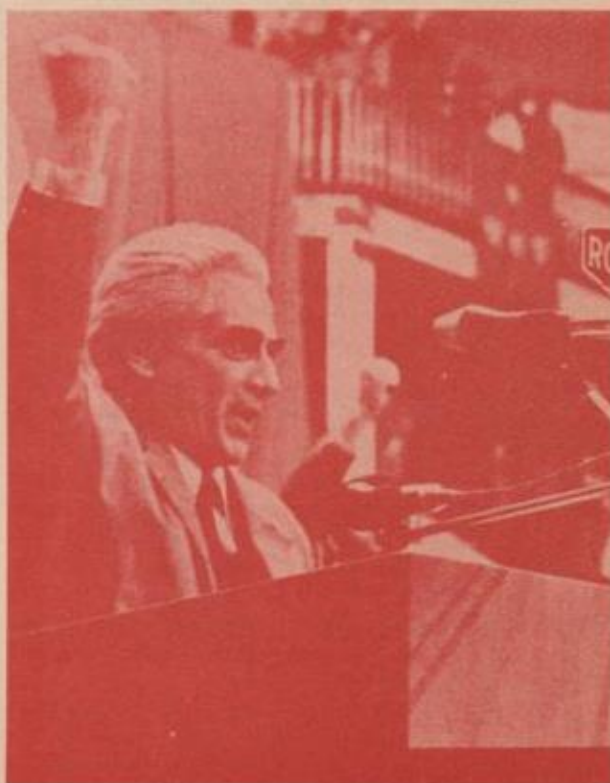
What long march has led to this position? Cunhal himself explained the conditions under which the CP has been influenced by objective reality and the struggle of the masses. (6) Pato had also clarified the objectives of his party during the presidential elections, when he refused to criticize the candidacy of Eanes: open up the possibility of negotiating a recomposition of the government, if necessary even accepting collaboration with the PPD. (7) This perspective came into de facto contradiction with the mobilizations of the masses: the struggles of the teachers and public service workers were unable to develop because of the explicit outlook and initiatives of the CP, although the possibility of a national strike was real. But at the same time it was proven that the peaceful application of this orientation presupposed a great stability of the working class, a decline in its combativity potential.

It was because these conditions do not exist that the Intersindical congress had to hastily revise its action program. The final resolution incorporated some formulations pointing out the necessity of an active mobilization. Nevertheless, the crisis of the far left as expressed in the crisis of the GDUP enables the CP to allow some changes in the formulation of demands without immediately being compelled to actually mobilize. The crisis of the "far left" is expressed in the rapid decline of its initiative capacity, the difficulty in integrating broad sectors that had actively supported the Otelo campaign, the re-entry of many of these workers and youth into the sphere of influence of the majority parties (especially the CP), and the

internal crisis caused by the sectarian clashes between the bloc of the MES, PRP, and MSU on the one hand and the UDP and PCP-R on the other hand. (8) The congress of the GDUP was postponed several times. In order to avoid an immediate split, a parity leadership was established. This did not prevent the PRP from following in the footsteps of the FSP (Popular Socialist Front) and leaving the GDUP. The MSU then followed suit. In addition, the militants of the MES are now deeply demoralized. The existence of a very large PCP-R majority creates a very unstable situation politically. Thus, the "movement of popular unity" oscillates between extreme sectarianism toward the workers parties, proclaiming that "revisionism is a paper tiger," and tailendism in the unions as soon as the real relationship of forces began to become clear and the CP launched its campaign against the "open letter."

The pressures that are now building within the MES point precisely toward a greater adaptation to Stalinist policy. Inasmuch as this evolution runs parallel to the adaptation of the PCPR in trade unions, a break between these currents may be postponed. But it seems increasingly inevitable that the development of the class struggle will further accentuate the crisis of the GDUP.

In the situation that has been outlined here, it is obvious that the bureaucratic apparatuses do not control the working class with total hegemony. The proliferation of experiences of struggle, the development of the anti-bureaucratic trade-union current, and the audience received by the unifying demands and proposals advanced by the far left indicate that a long process



has begun which could go on for several months. These developments are especially important in that the political crisis now taking shape could lead to a heightened crisis of the mass workers parties, already visible in the SP and possible in the CP. Such a crisis would result from the combativity and initiatives of many of its trade-union cadres. The publication in the cadres' bulletin of the CP of a criticism from a "radical left" direction of the behavior of the leadership of the bakers union during the bakers strike confirms this. (O Militante, January 1977, p.3.)

Anti-bureaucratic trade-union struggle at a crossroads

After rejecting support to the austerity policy of the sixth government, the "open letter" grouping, linked to the SP, launched the battle for a trade-union congress democratically prepared on the basis of the right of tendencies to exist.

Some months later, the "open letter" grouping itself refused to organize as a tendency in the union movement. Since September 1976 revolutionary militants had been systematically proposing the publication of a fortnightly bulletin of the "open letter" and the formation of "support groups" in the unions. Nevertheless, the "open letter" supporters' delay in deciding whether or not to participate in the Intersindical congress further intensified the hesitations of Socialist trade unionists. It was only in January, a week before the congress, that the "open letter" called for the organization of support groups: "Workers, have no illusions! The second congress of the Intersindical will result in the continuation of corporatist-fascist practices, which will never correspond to the defense of your interests. Workers, there is still a solution. Like you, many other workers agree with us. Unite, organize in your union. Don't let someone else make decisions in your place without consulting you. Struggle, for nothing is lost: democracy will triumph." With its ambiguity, this call, signed by twenty-one unions on January 20, 1977 (with the exception of the Lisbon teachers), indicates what this socialist current will have to confront. The anti-bureaucratic struggle will be able to be waged only within the Intersindical and not through a coordinating body of unions outside the Intersindical.

The congress was held two weeks ago, attended by more than 250 unions, 70 of which were not affiliated to the Intersindical. It was an important tribune of discussion on the fight against the austerity policy. The hesitations of the Intersindical secretariat, which tried to conceal its refusal to set specific objectives, permitted about thirty unions to propose documents stressing the necessity for a united national mobilization. By allowing a free discussion during the congress (even if its preparation was not democratic and even though the delegates were not directly elected by the workers), the Intersindical managed to create an image of unity, strengthened by the participation in the leadership of some well-known Socialist trade-union leaders, like K. Barreto.

The "open letter" has lost a lot of ground recently. Its defeat was illustrated by the vote in the public service employees union — 44.9% for the CP, 33% for the SP, 6.3% for the GDUP — and by the defeat of the Socialist slates in the elections that have been held in some trade unions since the formation of the government. The greater permeability of the Socialist leadership to the struggle of the masses is due above all to the great weakness of its control over the ranks and not, contrary to what is claimed by some, to its more "progressive" or genuinely "democratic" character.

In the present phase the central tasks remain the struggle against the social pact and the austerity plan, for a national strike for labor contracts, for immediate 2,000 escudos a month wage increases for all, for the forty-hour week, combined with the construction of unions in the factories and the definitive establishment of a federative and democratic structure by industrial branch. In the context of defense of existing gains, especially workers control and the workers commissions, this battle will be decisive for the toiling masses on all counts.

"The horizon is red"

How is it possible that in spite of 20-25% unemployment and a 25% decline in purchasing power the working class has nonetheless maintained its combativity and the bourgeoisie has been unable to impose its own solution?

The present mobilizations of the metal and textile workers provide an initial answer. The first successes of the campaign of the LCI-PRT (PRT: Partido Revolucionário dos Trabalhadores — Revolutionary Workers party) for the national day of struggle to respond to austerity, the radicalization of the Socialist workers, and the development of new experiences of struggle, even among backward sectors of the working class, also show that in essence the conquests of the period of rise of the mass movement have been maintained: free organization in the factories, experiences of workers control, freedom of action of the trade unions.

Many radicalized workers have refused to fall into the trap of the Soares government, which qualifies as socialist measures what are in fact decisions whose function is simply to guarantee a new rise of the rate of profit. Hence, even given the maneuvering room they command in the trade-union movement, the Stalinists cannot limit themselves simply to negotiating and exerting pressure on the government.

Even though the government may still be able to impose some partial defeats through anti-union and anti-student legislation and attacks on the agrarian reform, coming months will see the development in the unions of a battle against the austerity plan. If this leads to combined struggle experiences by various sectors of the working class, then a generalized upsurge could begin to germinate, stimulated by the conditions of deepened political crisis and social tension.

The situation in the Spanish state fosters this perspective, although the decisive factors remain the integration of the radicalization of Socialist militants into this overall movement and the capacity of revolutionaries to carry out a qualitatively superior intervention in the workers movement. We thus distinguish between a partial defeat which accelerates the irreversible offensive of the bourgeoisie and a partial defeat which, like November 25, 1975, opens a period in which struggles will occur on a more organized basis.

NOTES:

1. "On the social situation. On the congress of the unions." In *O Militante*, January 1977, p.5. The cadre assembly includes functionaries, trade-union leaders, and members of the Central Committee. It was held before the Central Committee meeting of December 19 and 20, 1976.

2. Call of the "Second National Congress of Militants of Nuclei and Sections for the Special Congress of the SP" proposed by the Executive of the labor commission.

3. "We are speaking of certain Trotskyist currents that have found in the anti-Gonçalves struggle of the SP a propitious ground for promulgating their historical theses. Criticism of the labor legislation, educational policy, and the agrarian reform, of the economic policy of the government as well as criticism of the release of PIDE agents (the Salazarist secret police — INPRECOR) and the impunity of the bomb throwers are their fronts of combat. We are now witnessing in Portugal an attempted infiltration of the SP by a current of Trotskyist inspiration, in accordance with a known tactic of the Fourth International, as has occurred in other parties of the Socialist International (such as the Swedish SP, the Labour party, the youth federation of the PSOE)." Extract from the document of Antonio Reis, approved by the national commission of the SP a week before the congress.

4. "The proposed budget and Plan 77 confirm two fundamental lines in the orientation of the SP government: make the workers bear the burden of all the difficulties of the situation, continue a policy of capitalist recuperation, liquidating the gains of the revolution and intensifying dependence on imperialism. The realization of these projects of the SP government challenges the great democratic transformations, facilitates the offensive of the right, and damages the national interests." From the resolution of the CP Central Committee of December 19-20, 1976.

5. Declaration of the CC, December 19-20, 1976.

6. In an interview published in the November 19, 1976, issue of *Expresso* Cunhal stated: "The end of 1974 and the beginning of 1975 were marked by capitalist sabotage which determined the need for the agrarian reform, nationalizations, and workers control as indispensable emergency measures. I am convinced that the process would have been much slower, with less turbulence, if the forces representing the economic interests of big capital had accepted democracy. This was so clear for us that in our platform of emergency measures passed at the seventh congress (November

1974) we demanded control of private banks and economic activities; but at that time we were not advocating an immediate agrarian reform and nationalizations. But what happened? They continued to divert money and commit sabotage. The immediate nationalization of the banks became indispensable. This sabotage also created the necessity for occupying and cultivating the land." And he concluded: "In Portugal if there was anyone who could have given the capitalists guarantees it would have been the Communists. I repeat that we are for respect for the dynamic of the capitalist sector. This is contained in our theses, in our positions."

7. In November 1976 Pato told *Diário de Lisboa*: "They (the CDS and the PPD) are in fact committed to General Eanes, and this was always our assumption; that is why we never attacked General Eanes during the election campaign. . . . We can say that the president of the republic has maintained a line consistent with what he promised." He concluded on the question of the government: "We are not unaware that there are people in the PPD who really want Portuguese democracy to be consolidated. Civilians and officers who uphold democracy must be in this government because the greater the responsibility of this government, as well as of the Socialists and Communists, the greater will be the confidence it will inspire among the working masses of the country."

8. MES: Left Socialist Movement; PRP: Revolutionary party of the Proletariat; MSU: United Socialist Movement; UDP: Popular Democratic Union; PCP-R: Portuguese Communist party-Reconstructed.

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Le Duan

Photo: Bao Cuong

The national congress of the Vietnamese Communist party was held in Hanoi December 14-20, 1976. It was the fourth congress in the forty-six year history of the party, or the fifth in fifty-one years if one counts the Thanh Nien, the organization that preceded the official founding of the Communist party. The event is thus of some importance, as were the previous congresses: 1929-30 (years symbolic of Vietnam's entry into the era of modern class struggle), 1935 (on the eve of the struggles during the period of the French Popular Front), 1951 (shortly before the unleashing of the general counteroffensive against the French forces), and 1960 (beginnings of the second Indochina war). The congresses of the VCP have always been held during transitional periods in the history of the Vietnamese revolution. The latest congress is no exception to the rule.

The socialist option

The general resolution adopted by the fourth congress stresses the importance of the turn opened by the final victory over imperialism: "With the total victory of the patriotic resistance against the American aggression, the Vietnamese revolution entered a new stage, one in which the entire country is independent and reunified and is now accomplishing the united strategic task of carrying out the socialist revolution, of progressing rapidly, vigorously, and with certain steps toward socialism." (Bulletin du Vietnam, French edition, No. 9, January 1, 1977.)

Many nominal changes accompanied this orientation. The Democratic Republic of Vietnam had already become the Socialist Republic of Vietnam. The Workers party has been formally renamed the Communist party. The title of the theoretical organ of the CP has likewise changed, from Tap Chi Hoc Tap (journal of study) to Tap Chi Cong San (communist journal). The former "front" organizations have fused. A congress held at

VIETNAM

THE FOURTH CONGRESS OF THE V.C.P.

by PIERRE ROUSSET

the beginning of February attended by 500 delegates from the Front of the Fatherland (of the North), the National Liberation Front, and the Alliance of Democratic, National, and Peace Forces, as well as various southern personalities, decided to form a single organization, the United National Front.

More fundamentally, the orientation confirmed by the congress of the VCP heralds the deepening of the social and economic measures already initiated in the South with the liberation of Saigon. In his introductory report, Le Duan, first secretary of the Central Committee, summed these measures up in these terms:

"The policy of our Party and State regarding the transformation of non-socialist relations of production is to immediately abolish the feudal ownership of land and abolish the vestiges of feudal exploitation; to immediately nationalize industrial and commercial enterprises of the comprador bourgeoisie, of the traitors and capitalists who have fled abroad; to use, restrict and transform private capitalist industry and commerce chiefly through the policy of setting up joint State-private enterprises; to carry out agricultural co-operation in order to take agriculture step by step to large-scale socialist production; to transform handicrafts, chiefly by co-operation but also by other forms; to transform small trade chiefly by gradually shifting small traders to industrial, agricultural and handicraft production.

"We must use every means to broaden the State sector of the economy rapidly (at the centre and in the localities), and to make it play an increasingly predominant role in production and distribution." (This and subsequent quotations from the report of Le Duan are taken from the English edition of Vietnam Courier, No. 55, New Series, December 1976.) This predominance of the state sector has been completely achieved in the North, as may be seen in the following few figures: In 1975 some 97.1% of the value of agricultural pro-

duction and 95% of industrial production came from the "socialist sector" (state and collective). In the South, on the other hand, the commercial networks of the big comprador bourgeoisie have been hit but not yet profoundly dismantled, and although 7,000 industrial enterprises have begun activity again, 11,000 groupings of artisans were still functioning in Saigon at the end of 1976, which indicates the current importance of this sector in the southern part of the country.

The second five-year plan

The Vietnamese leaders hope to see the country achieve "grand socialist production" within twenty years. But it is the second five-year plan, for 1976-80, which sets forth the orientation of current policy in the economic sphere.

The general line of development, defined in 1960 and further detailed in 1967, is maintained: "To this end, a thing of decisive importance is to create a modern industrial-agricultural economic structure. The basic way to create this structure is 'to give priority to a rational development of heavy industry on the basis of developing agriculture and light industry.'" (Le Duan report.) This economic transformation requires "a complicated class struggle" which must assure the success of "the three revolutions: the revolution in the relations of production, the scientific and technical revolution, and the cultural and ideological revolution, of which the scientific and technical revolution is the keystone."

Thus, the VCP's orientation in this domain differs radically from that which long prevailed in China. The strategic priority of heavy industry, indispensable base for both "grand socialist production" and economic independence, and the key role of the technical and scientific modernization of the country were reaffirmed. But the balances of development adopted for coming years are equally far from those of the Stalinist period in the USSR. The urgency of an upturn in agriculture was the first factor to be felt. The country today is still unable to feed itself properly. It is probable that 1976 food production covered only about 30% of needs. Nutritional insufficiency is painfully felt and reduces the productivity of labor. The problem is also political: With the end of the war the population aspires for better conditions.

The redistribution of the national income will have to take account of this situation, even if many large-scale projects will have to be undertaken immediately, particularly through international aid. The USSR is constructing a very large dam on the Black River, a major tributary of the Red River; China is building a bridge across the same river; East Germany is aiding in the reconstruction of the city of Vinh. But the top priority is to take a "leap forward" in agriculture. Consequently, a large majority of available resources will have to be directed toward the rapid solution of problems of consumption. A total of 30% of all invest-

ments will flow into agriculture and 35% into industry. Of the latter, 60% will be devoted to heavy industry.

The second five-year plan calls for average annual growth rates of about 15% for total production, 13-14% for the national income, 8-10% for the value of agricultural production, and 16-18% for industrial production. Oil prospecting will continue and a state company will very probably be established to exploit the riches of the continental shelf. An agreement with the French firm Comex (Compagnie Maritime d'Expertise) has been signed for construction of the necessary logistical base at Vung Tau. Bérliot will erect a bulldozer factory. A code on foreign investment is to be promulgated soon, the attempt being to attract foreign capital provided it does not exceed 49% in any given project.

Restructuring

Increasing agricultural production requires significant hydraulic projects, the generalized use of rapid germination seeds so as to allow three harvests a year, the sowing of varieties of rice that permit semidirect harvest and thus avoid the harassing labor of replanting. But it will also entail a profound restructuring of agriculture, even in the North. In fact, the present village cooperatives cannot rationally introduce mechanization or correct planning of the use of the work force. New cooperatives, formed on a district scale, must be developed. The new cooperatives created through this fusion process should cover about 300-500 hectares each in the rice plain and more than 1,000 hectares each in the mountains.

But this restructuring is meeting strong resistance, including among party members, for it attacks many long-standing positions by concentrating posts of responsibility, as well as the localism of village traditions, the unevenness of development among cooperatives, etc. The Vietnamese Communist party has thus long since launched a political campaign to assure the success of this measure, which it considers an indispensable stage in the modernization of the economy.

The same is true in regard to the redeployment of the work force throughout the territory. Here the leadership of the party and state must deal with three orders of problems. Entire zones have been deserted in the South because of the war and the U.S. policy of "forced urbanization." It is now necessary to repeople them and have them begin functioning again. Moreover, Vietnamese planners believe that under present circumstances none of the country's cities should exceed 1 million in population. Ho Chi Minh City (formerly Saigon) in particular is unable to provide jobs for its population. It is therefore necessary to return a very large section of the "urbanized" population to the countryside and to gradually reoccupy all the cultivable land.

There is another, more general, problem. Population density is very uneven in Vietnam. It stands at 700 inhabitants per square kilometer in the Red River delta in the North and may run as high as 1,000 in some areas

there. It falls to 25 inhabitants per square kilometer in the central highlands among the scattered Montagnard population. It is 300 persons per square kilometer in the Mekong delta and 150 in the eastern provinces of the South. In the North a population migration had long been organized from the delta to the mountainous regions which could not be developed without this extra labor force. The current short-term objectives were presented to the National Assembly by Le Thanh Nghi, minister of planning. Some 1,200,000 people are to be shifted. Among them are 800,000 inhabitants of Ho Chi Minh City who are to return to the "agricultural belt" surrounding the city, the "new economic zones" that have been organized in the South, or their former villages where this is possible (9,000 of the 15,000 villages in the South were razed during the war). Some 150,000 people are to leave the overpopulated regions of the Red River delta for the mountainous zones of the North, the central highlands, and the eastern and western provinces of the South. It may be seen that no massive shift of population from south to north is planned, as some of the Western press had tried to suggest. These measures are supposed to contribute to partially reabsorbing unemployment, which had risen to 2,400,000 working-age people by the end of 1976.

The move toward redistribution of the population is not slated to stop there, but is ultimately to affect about 10 million of the country's 50 million people.

The people, "collective master"?

The objectives the Vietnamese leadership has set itself are thus very ambitious, although they are intended to be realistic. To become a reality they require the deep and lasting support of the population. The problem is therefore primarily political: how to assure this voluntary commitment?

The active participation of the masses in the development of the society of transition to socialism requires that they feel genuinely responsible, in position to have their say over the major choices that condition their daily existence, to really exercise power, and to be, to use the Vietnamese formulation, the "collective master." This is a central question, as was recognized in the general resolution adopted by the fourth congress of the VCP: "The first condition is to establish and ceaselessly strengthen the dictatorship of the proletariat, to realize and ceaselessly develop the toiling people's right of collective mastery."

Which is a political question if ever there was one, for, to quote the very words of Le Duan's report: "the creation of the regime of socialist collective mastery demands, first of all, that an adequate system of relationships between the Party, the State, and the masses be built."

The leadership of the VCP has clearly manifested its concern about this question of relations between the party and the masses, launching a virulent campaign against the bureaucratic attitudes of too many cadres. A decline in the quality of CP members since the

victory has been noted, as well as a loosening of recruitment criteria. The leadership is consequently calling for moves to purge the party. Nguyen Duy Trinh, minister of foreign affairs, has explicitly said that party "members of low political and revolutionary awareness will be dismissed from the party. New members will be recruited." (International Herald Tribune, December 21, 1976.)

At the same time, the state is prosecuting some cadres guilty of embezzlement, such as Huynh Van Thom, president of the revolutionary committee of the fifth district of Ho Chi Minh City, sentenced to fifteen years in prison for corruption and abuse of powers.

The preparation for the party congress also reflected this desire of the leadership to tighten up the links between the state and party apparatus and the masses. For the first time, in fact, the very long introductory report by Le Duan was widely distributed more than a month before the convening of the national congress. A discussion tribune, the function of which was essentially educational, was opened in the daily newspaper Nhan Dan. About 2,800 amendments were said to have been presented to the national congress after having been discussed through a pyramid of local and regional congresses.

The press articles and reports presented to the congress sometimes sounded a clearly self-critical note, such as that of Le Duan, in which, among other things, it was affirmed that "there are still many mistakes and shortcomings in our Party building. The biggest shortcoming is inadequate understanding — both in thinking and in practice — of the theory of building the Party now that it is providing State leadership."

Thus, the holding of the fourth congress was an occasion to make an unprecedented effort to spread the leading ideas of the new orientation and to take the pulse of the masses as well. Nevertheless, as usual, the real discussion on orientation took place only in the upper reaches of the party and the state. The congress, like the preparatory discussion, was not designed to present possible differing options of development. It had a primarily pedagogic function.

More serious, since they cannot be explained away by the present difficult situation, were the statements of principle formulated by Le Duan in his report on the question of the conception of the state during the transition to socialism. Indeed, in the name of the party leadership he presented a substitutionist and paternalist analysis of the role of the party which prevents in advance the qualitative extension of socialist democracy:

"Mastery in the political field is embodied in the mastery exercised by the working people with the worker-peasant alliance as the core through the socialist State and under the Party's leadership." And: "The control mechanism (of the activities of state organs) consists of the self-controlling system of the

State machinery, and control by mass organizations and by the Party."

Experience confirms that the external pressures exercised by the masses over a state apparatus in which they are not direct participants and the self-control of the cadres and the party through the vehicle of rectification campaigns have never sufficed to check the aggravation of bureaucratic phenomena in a lasting manner. Especially in a country facing the difficulties Vietnam faces. In this context, the creation of "popular inspection committees" in the North composed of workers who remain in the productive system cannot profoundly modify the situation by itself.

In an article specially written in response to foreign criticism of the Vietnamese revolution, the author Nguyen Khac Vien pleads for understanding of the concrete situation of Vietnam. Freedom? Democracy? The bureaucratic danger? "We are the first," he writes, "to accord the greatest importance to these capital questions of our epoch, and the Vietnamese leaders stress these problems on a more or less daily basis. A people that has accepted the most arduous sacrifices for its independence will not lightly cast away its freedom to don a iron yoke which, of this one may be certain, would be worse than neo-colonialism. Politically conscious Vietnamese — and they are, I believe, at least as numerous as in the Western democracies — have had occasion to reflect on these questions at length. . . .

"Democracy in Vietnam was born in given historical conditions. . . . Abstract humanism and a more or less conscious Europe-centrism have led to astonishment that the Vietnamese people have not chosen the model of Western bourgeois democracy. . . . The Vietnamese people do not have a tradition of parliamentary democracy linked to a long period of capitalist development. That is a handicap, but this people has the advantage of being able to build its democracy at another level, on the basis of socialism. . . . We have thus chosen a different formula." ("Ecrire sur le Vietnam," in *Le Courier du Vietnam*, No. 51, August 1976.)

One may easily agree with Vien that bourgeois democracy is not an abstract model and that it must not be divorced from its class base. One may likewise agree that the political system that arose in North Vietnam in 1954, like that which is now being established throughout the country's territory, should not be analyzed independent of the historical context which prevailed at the time of its formation. But in counterposing the "classical" bourgeois democratic model to the concrete form of the present Vietnamese workers state and in restricting the polemic to answering the upholders of "abstract humanism," Vien dodges a fundamental debate, one which relates to the content of workers and socialist democracy.

Are the bureaucratic deformations of the Vietnamese workers state, both social and political, primarily the product of history, underdevelopment, the effects of colonialism, the thirty years of devastating imperialist wars, and the delay of the revolution in the great

industrial centers? Undoubtedly. But the impact of the historical and objective factors on the course of the Vietnamese revolution makes clear consciousness of their limits even more necessary. The theory of the state of the dictatorship of the proletariat upheld by the VCP, reaffirmed during its latest congress, on the contrary adapts to these deformations.

The analysis of the specific political system of Vietnam remains complex, and it is probably true, as Vien stresses, that "the participation of a peasant on a cooperative in social and political life is richer than that of a free peasant" and that the Vietnamese worker is, on a daily basis, more closely associated with the life of the country than is the case with the worker in the bourgeois democracies, because of the Vietnamese workers' integration into a body of mass organizations. It is also true that this system often permits a general consensus to be reached.

But the breakdown of the state system into the national administration, the local structures of state power, the popular organizations, and the "National Front" (as a purely political representation) prevents the direct intervention of the masses in national economic and political administration. In the absence of a soviet structure, the party is the only force able to articulate among these various components of the system. Here again, the situation of de facto monopoly occupied by the VCP feeds a monolithic conception of political and intellectual life in the country, a conception which induced Le Duan to say, two years ago: "Any manifestation contrary. . . to the line of the party runs against the position of the working class. To struggle mercilessly against these manifestations is to merge oneself with the position of the working class. We do not allow any other criterion when we speak of positions." (In "Quelques tâches actuelles," Hanoi, 1974, p.102.)

There is no question of counterposing the ideal "model" of mass soviet socialist democracy to the harsh reality of the situation in Vietnam. The point is rather to gauge the dangers of an orientation which accommodates to and defends the substitutionist role of the communist party, and thus the bureaucratized structure of the state. There will be no lasting progress or struggle against the growth of bureaucratic phenomena without a conscious break with the conception of the "state of the dictatorship of the proletariat" that prevails in the VCP, a conception rooted both in the history of the country and in the international Stalinist movement.

Tensions

The preparation and holding of the fourth congress of the VCP was an occasion to recall the sharpness of the problem of bureaucracy. For Le Duan, "Loafing, embezzlement, bribe-taking, waste, irresponsibility, high-handedness, arrogance, and bureaucratic red tape must all be combatted. Practical measures must be taken to prevent State employees from becoming a privileged class." And, "The voters' right to control and also to dismiss their elected representatives must be guaranteed."

The government and party leadership are in fact meeting a series of difficulties which make them very sensitive to the exasperation of the population at the bureaucratic arrogance of some cadres and at administrative foot-dragging. The weight of the war is not about to disappear. A figure symptomatic of the effort requested of the population: during the first half of 1976 some 570,000 bombs and mortars had to be defused in order to bring 26,000 hectares of land under cultivation. And while the entire apparatus of management and production that was directly linked to aiding the war effort apparently worked well, the rest of the economy on the contrary suffers grave administrative inadequacies.

The Nhan Dan discussion tribune referred to these inadequacies on several occasions. An official of the Ministry of Machine Construction noted in one article that "we are mobilizing only about 40% of our production capacity. . . We are producing only 300 varieties of articles, whereas we stand in need of thousands." A high functionary of the Ministry of Agriculture confirmed this estimate, stressing "the low rate of utilization of industrial capacity." (*L'Humanité*, November 23, 1976.)

It is obvious that the question of Saigon remains the most delicate one. Two major features of the second Indochina war exert their full weight in this city: the extent of the social upheaval provoked by American policy and the gravity of the sharp blows suffered by the ranks of southern revolutionaries because of the repression that lasted for several decades. According to Washington's estimates, by 1975 the South Vietnamese population had become 65% "non-rural." The Phoenix Plan (a project of selective extermination of cadres) officially cost the lives of 67,000 people, among them some of the best underground militants.

The "strategic hamlets," the massive imprisonments, the establishment of a system of concentration camps, and the social destruction of Saigon made it extremely costly to keep the networks of urban resistance alive. According to some estimates, the Saigon VCP had only 1,500 members and 20,000 sympathizers as of April 1975, not counting many militants with whom contact had been lost and who rejoined the organization after the victory.

The "re-education" policy of the VCP in regard to former members of the Saigon army and administration illustrates the strength of the regime as well as its real difficulties. In April 1975 the puppet military forces still numbered about a million soldiers and 200,000 policemen, not counting the administrative personnel who participated in the repression. The officer corps, vanguard of the counterrevolution, included 70,000 members, 10,000 of them higher officers. The great mass of soldiers and policemen were released very rapidly and recovered their civil rights before the legislative elections of April 1976. The exactions in regard to the former collaborators and even former torturers were far milder than they were in France in 1945, for example. There was no "bloodbath"; in fact, the victory of the Vietnamese revolution was probably the least bloody in history, although the war was one

of the most costly. This capacity to avoid any policy of reprisals illustrates the solidity of the new revolutionary regime, as well as the political maturity of the population.

But the bureaucratic-military caste that formed the backbone of the Thieu regime nonetheless represents a real danger. Because this caste is psychologically, politically, and professionally prepared to engage in actions of sabotage against the new regime. Because such "destabilization" actions are in fact already under way (illegal stockpiling of goods of basic necessity, massive printing of counterfeit money, etc.) and benefit what remains of the power of the comprador commercial bourgeoisie. Because the social base of the VCP in the Saigon region remains superficial. Under these conditions, it can be seen why the government was unable to extend its policy of "clemency" beyond certain limits.

The figure of the number of people held in "re-education" camps is officially set at 50,000 (and not 200,000-300,000 as the Western press has written). Essentially, the inmates are former officers, high functionaries, and torturers. Moreover, in a statement dated June 9, 1976, the PRG explained that nobody would be kept under "re-education" more than three years after the date of his or her entry into the camp (generally July 1975), unless individually tried for war crimes committed in the past. Thus, there can be no question of associating with the statement of about ninety former members of the "humanitarian" wing of the U.S. antiwar movement who on December 29, 1976, denounced "violations of human rights" in Vietnam. Theodore Jacqueney, ex-specialist in pacification, is said to be not unconnected to this initiative; and some signers, such as Daniel and Philip Berrigan, have withdrawn their names from the document.

In 1974 the Democratic Republic of Vietnam again reached the level of overall production that had previously been attained in 1965, the year the American bombing began. In 1975 the whole of the territory was liberated and the country reunified. The first revolutionary measures shook the old zones controlled by the American and Saigon forces. In 1976 the volume of grain production was more than 17% higher than it had been in 1975; as for industrial production, it had grown more than 10%. Cultivated land area in the South rose 18% during the same year. The situation in Vietnam thus remains dynamic above all else, especially since the regional situation is also evolving, primarily in Thailand. The fourth congress of the VCP was also the occasion for the leadership to reassert its international orientation. Future articles in INPRECOR will return to these questions. With its 50 million inhabitants — sixteenth most populous country in the world and third largest of the workers states — Vietnam is in the process of becoming one of the key countries of Southeast Asia.

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