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greece: on the eve of elections



ARGENTINA: _____

THREE REVOLUTIONARY MILITANTS MURDERED

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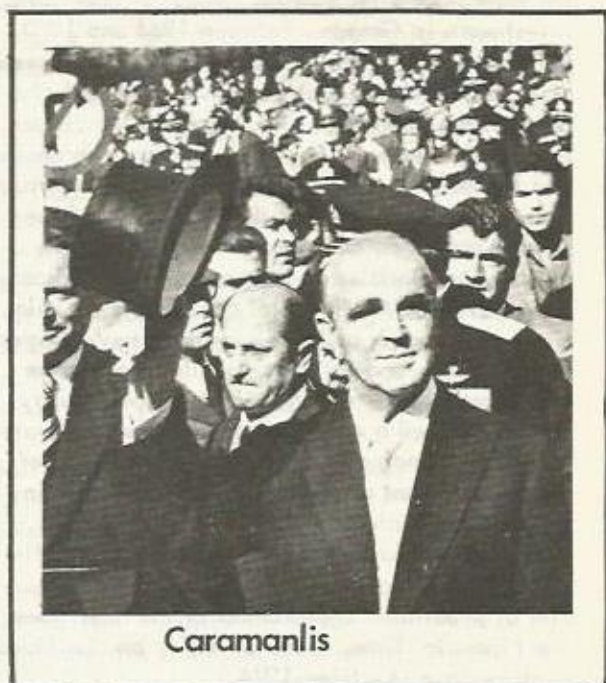
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ON THE EVE



Papandreou



Caramanlis

OF THE ELECTIONS

by A. UDRY

It was last July when the Greek radio announced that "the armed forces have decided to return power to a civilian government." Since then, the phenomenon that was expressed in such a concentrated fashion during the November 1973 struggles at the Athens polytechnical institute has come to the fore ever more clearly: the emergence onto the political scene of a new generation of workers and students who began to become politicized under the dictatorship, did not suffer the traumas of the civil war, and do not want to suffer the consequences of the civil war any more. People who were only fifteen years old when the colonels took power are now trying to put an end to the epilogue of the civil war, and broad layers of the Greek population are beginning to respond to them. The quick elections ordered by Caramanlis (scheduled for November 17) are partially aimed at slowing down the process of repoliticization that is going on in the country. In this sense, the elections will express only very slightly the underlying tendencies now developing in Greece.

Economic and social crisis

In the present situation, it is not the effects of the economic and social crisis that are directly shaping the immediate development of political life. There were two militant strikes at the Elefsina shipyards, but they appear to be isolated cases on the front of social struggles. Hence, the rebirth of political activity is not taking the form of a wave of social struggles to which the CP or the PASOK (Panhellenic Socialist Movement, led by Andreas Papandreou) could give expression on the political level. In the present phase, then, there is a certain hiatus between the repoliticization of the Greek masses and the objective social and economic crisis racking the country, a crisis that will constitute an ever more determining element in the development of the social and political situation in coming months.

The "economic miracle" so highly vaunted by the military junta was in large part the reflection of

the immediate effects of the impact of imperialist investments in Greece. Between 1964 and 1970, these investments totaled \$360 million, 77 percent of which was American. Moreover, the real character of the "miracle" is expressed in the distortions of development in various industrial branches and the mounting regional disequilibrium. Corruption was generalized, the dishonest colonels becoming ardent defenders of the notion that the military was entitled to grab everything. This encouraged parasitic financial operations, speculation, and sending of large sums of money to American, British, and Swiss banks. The speculative and disorderly boom in the construction industry, which absorbed a very high percentage of private investment, indicates the structural weakness of the development of Greek capitalism. While investments in sectors like the chemical industry, building materials, and metallurgy were significant, their direction was modified by the exigencies of imperialist capital most of the time. (See *The Financial Times*, June 3, 1974, and *Le Monde Diplomatique*, October 1974.)

In 1971 of a total work force of 3,400,000, 39% were involved in agriculture, a sector that produced only 20% of the gross national product. The growth rate of agricultural production went down constantly, dropping from an annual average of 5.8% for 1950-58 to 3.9% for 1959-67 and 2% for 1968-73. This crisis of the agricultural sector, combined with a certain degree of industrialization, stimulated a depopulation of the agricultural areas (the rural population dropped 15.4% between 1961 and 1971) and a rapid swelling of the urban areas of Salonika and Athens, whose populations during the same period increased by 37.1% and 46.5% respectively. To be sure, small enterprises predominated; the average number of workers per enterprise was only 5.24. Nevertheless, there has been a genuinely concentrated development of a proletariat during the past decade. The forty-nine largest industrial companies employ more than 60,000 workers. The boom in the construction industry gave rise to a rapid swelling of a new layer of workers — more than 250,000 — who have already demonstrated their combativity in many partial strikes. To this must be added the fact that in 1973 some 54% of industrial establishments (employing 71% of all industrial workers) were concentrated in the two urban centers of Athens and Salonika.

Thus, the configuration of the proletariat has been profoundly altered during the past ten years. The entry of new layers onto the political scene — at least in a limited way — took place during the "events" of November 1973. The politicization of these layers, which will go further and further

given the present atmosphere, represents one of the essential elements in the restructuring of the workers movement and in the modification of the relationship of social forces in this new phase of Greek history.

For the moment, the Caramanlis government has to try to extricate itself from a disastrous economic situation resulting from the combination of the structural weaknesses of Greek capitalism and the effects of the recession the international imperialist economy is now going through. Inflation, which hit 30% during 1973, is the highest of any of the countries of the Organization of Economic Cooperation and Development. The balance of payments deficit is getting larger and larger. It reached \$400 million in 1972 and \$1,200 million in 1973. It can only get worse, under the impact of a number of factors:

The first of these is the energy crisis. Greece depends on oil for more than 60% of its energy. It will be one or two years before the discovery of oil near the island of Thassos reduces the deficit created by oil imports. Second, the decline of tourism has a bad effect on the balance of payments deficit. Finally, the decline in emigration is limiting the inflow of currency from abroad. More than 1 million Greeks emigrated between 1955 and 1970. Nevertheless, because of industrial stagnation or recession in various imperialist countries, emigration has decreased considerably since 1973. Net emigration (that is, the total number of emigrants minus the number of people returning home) was only 4,369 in 1973; in 1972 it had been 14,267 and in 1971 it had been 31,297. The emigrants went essentially to West Germany (270,000), Holland (13,000), Switzerland (10,000), Belgium (6,500), and France (4,500). And the actual number of emigrants was even larger, for many left "clandestinely." The total amount of money sent back to Greece by the emigrants reached \$50.6 million in 1955, \$239.4 million in 1968, and \$571.4 million in 1972.

Two additional factors must be added to those three: Greece's large debt (which was further accentuated by the junta's arms purchases from the United States and France) and the chronic deficit in the balance of trade. In an attempt to reduce that deficit, the junta had adopted policies of deflation and limitation of imports. This resulted in increased unemployment, among other things. The government that emerges from the coming elections will be hard put to continue these policies without risking alienating broader and broader sectors that otherwise might support the regime or at least manifest a certain neutrality toward it. That ex-

plains the efforts made by Caramanlis and Mavros to obtain loans from the Common Market (on the order of \$800 million) and the government's haste to compensate, by getting into the Common Market, for the distance it has taken from the United States. But loans from the Common Market or West Germany (180 million DM through 1976) will not enable the bourgeoisie to deal effectively with the economic and social crisis. After the three months during which calm has reigned on the social front, the effects of the crisis will come to the surface and determine the course of political life all the more strongly.

Epilogue to the civil war

The junta's peaceful relinquishing of power to the Caramanlis government fell within a very special context. The failure of its Cyprus operation left the junta in a total impasse. Divisions within the army were intensifying. The III Corps of the army, stationed in northern Greece, openly demonstrated its opposition to the policy of the junta. This was an important factor in pushing it to resign. The Caramanlis solution had been considered for some time by forces within the army, at least since November 1973. Thus, Andreas Papandreou wrote in March 1974: "The second (tendency) favors a compromise with representatives of the right and the center-right that would permit the armed forces to play a less obvious role in the political life of the country. The politician who seems most adapted for playing this role is Caramanlis." (Monthly Review, Italian edition, April 1974.) In the context of the crisis of July 1974, this solution prevailed.

Clearly, the junta — or at least important sectors of the army — demanded guarantees from Caramanlis and his new government that there would not be a vast purge. This fully explains the statements Caramanlis has made since he returned to power. For example: "The present structure of the army shall undergo no modification." (Le Figaro, October 28, 1974.) It also explains the slowness with which the main leaders of the junta were prosecuted under the "law." It wasn't until September that Ioannidis was hauled before Judge Iseva.

While after seven years and three months of dictatorship the mass movement hesitated to mobilize, it should not be concluded that combativity is nonexistent. It broke through during the military mobilization during the Cyprus crisis. At that time there were many movements of rebellion among student and worker youth who demonstrated their refusal to be diverted into a vast nationalist operation. This latent combativity was one of the factors that induced the Greek bourgeoisie and sec-

tors of the army to opt for peacefully moving to a new regime in order to avert confrontations that would have given rise to mass mobilizations of a more explosive scope. Nevertheless, the reasons for the slowness of the process of repoliticization during the first months must not be sought solely in the maneuvers of Caramanlis, maneuvers like the maintenance of emergency laws, the suppression of the decree banning other parties (in force since 1967), the postponing of the measures aimed against the leaders of the junta, the maintenance of the state structures and apparatus set up by the junta. An additional factor was also at work: The reemergence of political organizations was not directly linked to the social events that preceded the fall of the dictatorship or to a resistance that would have represented a continuity and attained significant scope.

The development of consciousness among broad sectors of the Greek masses has to some extent been stimulated by the intervention of political apparatuses and by the political debate that has just now opened up. Nevertheless, this repoliticization, at least for the student and worker youth, is no longer taking place in reference to the defeat of the civil war, but rather in relation to the potential for mobilization that surged to the fore in November 1973 and during the refusal of the military draft. These two facts allow for an understanding of the rhythms of the process of repoliticization and the fact that the PASOK and the two Communist parties were able to develop a real influence over important sections of the new generations.

In fact, in this new framework the Communist parties do not appear as the "betrayers of the civil war," but instead as new organizations capable of carrying forward the demands of the students and young workers. A whole process of political fermentation will have to go on before a revolutionary wing having a real influence emerges. But the conditions favoring such a process are more prevalent now than they have been since the second world war.

Caramanlis's project

For Caramanlis, it was a task of primary importance to organize the elections as quickly as possible and to avert a broad purge of the state apparatus erected by the junta. It is not only that he had obviously made certain promises to the military. It was also that if political trials of the officers of the deposed junta had been quickly held, the manifold ties linking many conservatives now supporting Caramanlis's "New Democracy" to the old military apparatus would have suddenly come

to light. This would have inevitably weakened his electoral position.

Nevertheless, confronted with the pressure of the mass movement and the repeated attacks of Papandreou, Caramanlis found himself obliged to make some concessions. Thus, the five "historic chiefs" of the April 21, 1967, coup — Papadopoulos, Ladas, Roufogalis, Patakos, and Makerezos — were retired to a hotel on the island of Kea. To justify this measure, Caramanlis resorted to rumors of "conspiracies." In this way he avoided having to raise charges that would have been dangerous for the conservative ranks now lined up behind the New Democracy. With this little trick Caramanlis hopes to attract the votes of the center — people who might have been attracted to George Mavros, the "resister," who is able to play on his status as one of those who was deported to the Isle of Yaros under the junta — and at the same time to cut the ground from under Papandreou.

This was already partially accomplished by the announcement of the withdrawal of Greece from NATO — while NATO's political commission in Greece is maintained.

Concurrently, Caramanlis had to prepare the elections as quickly as possible. Quick elections were designed to carry out a number of tasks: make sure the trials of the torturers would take place after the elections; make use of the prestige Caramanlis had acquired during the July operation; limit the time the left (that is, the two CPs and the PASOK) would have to reorganize themselves; exclude from the voter rolls a mass of youth who had never voted before. Caramanlis believes that because of these advantages he will win a big enough victory to install a sort of presidential regime allowing capital to put itself in the best position to deal with future social struggles.

Moreover, Caramanlis, the ex-leader of the National Radical Conservative Union, has not concealed his intentions: "The New Democracy that I will direct will have a Gaullist form," he told the Paris daily *Le Figaro*. "If the Greek people desire to accord me their confidence, I would like the coming elections to assure Greece a stable government of long duration. Did not Gaullism last for twenty-five years in France?" (*Figaro*, September 30.)

This attempt to set up a presidential system, a strong bourgeois regime, is revealed in the measures aimed at assuring repression of sections of the workers movement, in spite of the democratizing demagoguery. This is shown by the fact that all parties that wanted to contest the elections had

to deliver a deposition to the prosecutor of the Supreme Court stating that they promise to "refrain from any act of violence and subversive activities against the state or any actions that could endanger constitutional institutions." Because of this decree (article 1, paragraph 2 of law-decree 59), the militants of the Internationalist Communist party of Greece (Greek section of the Fourth International) are not running candidates in the elections. They are calling for a vote for the list of the "United Left," i.e., the Communist parties.

George Mavros, the leader of the Union of New Center Forces, has developed a political program that is scarcely distinct from that of Caramanlis. He draws support from sections of the middle classes, generally small merchants, in the big urban centers. Bathed in the halo of his status as a political prisoner, "the resister," he is playing his opposition to the junta for all it is worth. Thus, included on Mavros's electoral list is Alexandros Panagoulis. In 1968 Panagoulis failed in an attack on Papadopoulos and Anastasios Minis, a military officer, and is known to have been subjected to torture for a long period. It is the reference to Mavros's "constant" opposition to the regime of the junta that represents his major trump card and his clearest differentiation from Caramanlis. Should Caramanlis fail to obtain a large enough majority, he would certainly have to seek an alliance with the former minister of foreign affairs. The far right, organized in the Democratic National Union led by Garoufalias, cannot hope to play any serious role in the elections or in the new stage of political life that opened in July.

Reorganization of the workers movement

The Panhellenic Socialist Movement of Andreas Papandreou, which stands apart from the operations of the right and the center-right, is perhaps the best expression, even if in a distorted way, of the end of the spirit of defeat that had enveloped the Greek masses after the civil war. On the basis of the demagogic and radical program (nationalizations, "getting rid of the capitalist hierarchy," "liberating Greece from all foreign influence," opposition to entry into the Common Market, etc.) with which he is spicing up his electoral campaign, Papandreou is mobilizing the energies of vast layers of student and worker youth. He had long ago understood the importance of anti-imperialist, anti-American sentiment among decisive layers of the population. Thus, at the beginning of 1974 he wrote: "Greeks have come to identify their subordination and their economic exploitation with the policy of the United States and, naturally,

with NATO. In any free election, no party can survive unless it demands national independence and a break with NATO." (Monthly Review, Italian edition, April 1974.) The PASOK has made this one of the major themes in its electoral campaign. Similarly, it is placing immediate stress on the necessity for holding political trials of those responsible for the April 1967 coup, the bloody repression in 1973 of the students of the polytechnical institute, and the Cyprus putsch. On these themes Papandreou is meeting a stronger and stronger popular sentiment that will give this representative of a veritable dynasty in Greek politics a major role to play in the process of repoliticization. The political immaturity of the new generations and the freedom of action granted the PASOK's youth organization permit "Papandreouist" demagogy to have some influence over layers of students and even of workers who are just awakening or reawakening to politics and to partially dam up the new radicalization. Finally, the heterogeneity of this formation must be stressed; this will most certainly result in accentuated internal political differences.

Compared to the PASOK, the Stalinists, who are divided, had lagged behind. But it is now clear that the "exterior" faction of the CP has acquired a preponderant position over the "interior" faction. Basing itself of the Soviet bureaucracy, the "exterior" Communist party has rebuilt a powerful apparatus capable of assuring its influence. It has headquarters in more and more of the main Greek cities; its press (Nea Ellada and Eleutheri Patrida) is distributed widely. The most important trump cards held by the Stalinists are their apparatus and their trade-union influence. There is no doubt that Stalinist influence among layers of radicalized workers will increase during the present phase. The Stalinists are no longer hiding behind the EDA (Union of the Democratic Left — the old electoral cover of the CP) but are coming out into the open without any explicit references being made to their role in the past defeats of the Greek workers movement. For newly politicized sectors of workers and youth, the Communist party is coming forward as a completely new party. For a whole period, the main course of both CPs was achieving a legal existence, and this left the field free for Papandreou. Later, it became necessary for the two CPs to arrive at an electoral agreement so as to be able to benefit from second-round votes in the elections. (A party has to get at least 17 percent in the first round to get the right to contest the remaining seats in the second round.) Thus, the "United Left" was formed, a grouping that includes the two CPs and the EDA. It is under that label that the two CPs will present themselves in the elections.

During the conflict with Turkey, the policy of the CPs was characterized by a chauvinist line that in fact sanctioned the nationalist demagogy of the provisional government. Pushing its policy of "national union," the CP (exterior) attacked Caramanlis for excluding from the government "forces that for seven years have stood in the front ranks of the struggle against the dictatorship." The CP (interior) called on "the Greek people to act together on the basis of a broad unity of the left, the center, the right, and all patriots until the commitment to the democratic road has become sufficiently irreversible." Once again the Stalinists are fostering the most criminal illusions about the possible options of the Greek bourgeoisie, about the army, and about the real tasks facing the working class. In spite of the strength of its apparatus, the CP (exterior), led by Florakis, will have to take account of the PASOK. It will be difficult for the CP's policy of national union to deal blows against Papandreou's demagogy, at least among the sectors that are becoming politicized most rapidly. That is a not unimportant factor in the recomposition of the workers movement and the repoliticization of new layers entering into anticapitalist and anti-imperialist struggle.

For the moment, the process of repoliticization is moving forward most strongly among the high-school and university students. There have been many strikes in the high schools. It is very probable that in the present phase the political movement of students will play a vanguard role and be a decisive fermenting agent for the development of anticapitalist consciousness among still limited layers. The fusion of the radicalization of the student and high-school vanguard with the emergence of workers struggles, as was heralded in the newspaper strike, will throw into relief the full potential of the combativity that is now filtering through here and there. For revolutionary Marxists, for our comrades of the Internationalist Communist party of Greece, the ability to acquire a predominant position in this student vanguard, to take up the debate with sectors influenced by the youth organizations of the CP and more especially of the PASOK, and to develop an initial implantation in the working class will be decisive in coming months. In Greece, a new period in the history of the class struggle has only just begun. □

reformist parties scramble for position

by ALAIN KRIVINE

In the past few weeks three parties of the French left have held national meetings whose implications are extremely important for the workers movement. There was the National Council of the Parti Socialiste Unifié (PSU — United Socialist party), at which the leadership found itself in a minority; there was the "Assises pour le Socialisme" (Assembly for Socialism) organized by the Socialist party, which laid the basis for the integration into the new Social Democracy of a faction of the PSU and a section of the apparatus of the Confédération Française Démocratique du Travail (CFDT — French Democratic Confederation of Labor); and there was the special congress of the Communist party, which laid out the perspective of a government open to the Gaullists. These three meetings represent a significant stage in the process of recomposition of the French workers movement that began after the general strike of May-June 1968. To understand the import of these meetings and to draw their consequences for revolutionary Marxists it is first necessary to recall briefly the main features of the political situation after Giscard d'Estaing's victory in the presidential elections last May.

An unstable situation

The electoral victory of the right, which was fully united and still won by less than 1 percent, in no way strengthened the system of bourgeois rule that had been shaken in 1968. Confronted with a very high inflation rate (prices going up 15-20 percent a year) and with the beginning of a recession, the government today is incapable of halting the spread of unemployment (which threatens to hit the 1 mil-

lion mark in the next few months) or of preventing the bankruptcy of hundreds of small and middle-sized companies that are falling victim to the policy of restriction of credit. At the time of the elections the present ruling group, while a minority among the wage earners, was able to group together virtually the entire right and far right against the peril of the Union de la Gauche (Union of the Left, the bloc of the CP and the SP, supported by the Left Radicals). But this mass of ballots failed to lead to the construction of the body so fondly dreamed of by de Gaulle's successors: a real conservative party able to assure the regime a minimum of stability. The contradictions among the bourgeoisie were too strong, and Giscard d'Estaing now has to try to maneuver without a party and with a very narrow social base, drawing his support essentially from the state apparatus. The first decisions of his government were aimed basically at winning over a few hundred thousand leftist voters by adopting some of the demands of the Common Program (the program of the Union de la Gauche). Thus it was that with a great swell of demagoguery the right to vote at eighteen was granted, a few sham measures were taken on police repression (like the official elimination of wiretapping), and abortion was legalized. But all this daring failed to move the masses of workers, who are concerned above all with rising prices and the threat of unemployment.

In this area the impasse is total, and while the bourgeoisie agrees to negotiate with the trade-union organizations, it is only to tell them that not much can be granted, particularly in the nationalized and public sector, where wages are lowest. The problem is posed concretely: How to ward off

LA POLITIQUE, C'EST COMME LA BOUILLABAÏSSE,
ON Y MÊTE DES COMMUNISTES, DES SOCIALISTES
... ET MÊME DES GAULLISTES ...

ÇA RELEVÈ
LE GOÛT!



«politics is like a
bouillabaisse, you throw
in some Communists,
some Socialists,
and even some
Gaullists . . .

that spices it up!»

a groundswell of social struggles that is foreseen by everyone? Since the experience of the struggle at the Lip watch factory, the only effective decision made by the government has been to grant one year's wages to all workers who fall victim to collective layoffs. In the absence of a generalized movement of the working class, a measure like this could lead to an effective demobilization. But there is the decisive question. The level of combativity of French workers has attained a threshold such that threats of unemployment no longer generate timid reactions; on the contrary, they lead to tougher and tougher struggles. Thousands of workers are now posing the problem of the recession in political terms. It is this radicalization of the masses that has forced the CP and the SP to listen and prevents the regime from imposing in the immediate future a presidential system that would result in political life consisting of the alternation in power of the right and a Socialist party that had burned its bridges to the CP.

The French bourgeoisie today is unable to stabilize its regime without winning a decisive victory over the working class.

Workers parties and workers combativity

As we have indicated in previous articles, the Union de la Gauche created by the CP, the SP, and the Left Radicals on the basis of a common governmental program was the only response the reform-

ist leaders were able to offer to the new political concerns of the workers, who since the 1968 experience are no longer satisfied with a few economic gains, but more and more want to "change life." Broader and broader layers of workers are taking up themes like unifying demands and self-organization. Many workers are lending a political perspective to their struggles, which is a change from 1968. At the present stage, what they see in the Union de la Gauche is more the unity that has been established between the two big workers parties than the fact that this unity is based on a program of class collaboration. The breadth and duration of the social struggles now going on comes from the combination of the effects of the crisis and the existence of the unity of the left parties; the content of this unity will bring about the betrayal of these struggles.

Along with the general new rise of struggle in the country, there has been the development and more systematic intervention of a broad workers vanguard that has seen through experience in struggle the impasse of the reformist program but nevertheless suffers from great political confusion and has not assimilated the perspectives upheld by the revolutionary organizations, which have not yet sufficiently proven themselves on the field of struggle.

These observations make it understandable how the continued credibility of the reformist program in the eyes of the masses can be accompanied by the development of centrist currents and the strengthening of the revolutionary Marxists. These three elements — reformism, centrism, and revolutionary Marxism — are contributing to shaping the phenom-

ena of recomposition now going on within the workers movement.

The current policy of the leaders of the CP and the SP is thoroughly dominated by their preparation for entering the government. They are hoping this will come about through the growing defection of deputies from the UDR, the Gaullist party, from the present parliamentary majority. This could result in the scheduling of new legislative elections in which the left could win more than 50 percent of the vote. Nevertheless, while the CP and the SP are facing this situation with a common program, their immediate concerns are different, for they are parties different in character. That is the key to understanding the paradoxical attitudes taken by these parties during their recent congresses. While the Communist party is explaining that the task of the hour is not socialism, that we must not go beyond the Common Program, and that the present alliance must be broadened to include the Gaullists and the "nonmonopolist" employers, the Socialist party drafts a Charter explaining the necessity for socialism, self-management, and a "class front" against the bourgeoisie. A Rip Van Winkle might wonder what's going on. The Social Democrats are developing a more radical program than the Stalinists! The explanation can be given in one sentence: In the current period, the French Communist party has to get recognized by the bourgeoisie as a valuable interlocutor, while the Socialist party, in order to become useful to the bourgeoisie, has to do all it can to reestablish its ties with the working class and begin to challenge the CP's monopoly in this field. When you're talking to the bourgeoisie, you push a chauvinist, right-wing policy; when you're talking to the working class in a period like this, you have to sound a little more leftist.

Revitalization of the Social Democracy

Although it was a minority in the working class at the time of the Liberation, the Social Democracy never completely disappeared in France; it always retained a working-class electoral base in certain regions with a Guesdist tradition.* The Socialists have hegemony in the Fédération de l'Éducation Nationale (National Education Federation, the teachers union), and they retain control of the third-largest trade-union federation, Force Ouvrière. Nevertheless, with its 80,000 members,

*Jules Guesde was a founder of the socialist movement in France and the leader of the French Socialist party. Before the first world war he polemicalized against Jaurès from the left, but ended up entering the national union government when the war actually broke out. — INPRECOR

some 20,000 of whom were elected officials, the old SFIO (Section Française de l'Internationale Ouvrière — French Section of the Workers International, that is, the Second International) was in process of disappearing. The weakness of its ties to the working class made the SFIO not very useful to the bourgeoisie, which accepted the Social Democrats' loyal services one last time in wrecking the Fourth Republic and setting up the Gaullist strong state in 1958, but no longer had any need for them under the Fifth (Gaullist) Republic itself.

The Socialist party's death agony was arrested by the entrance into the party of François Mitterrand, who was able to point out the road to renovation to the collection of beggars in search of a king. In this sense, Mitterrand did not change the character of the SP; on the contrary, he tried to make it really play its role as a workers party. He understood that the only way out for the Social Democratic party was to preserve and develop its ties with the working class in order later to be capable of conducting a policy of class collaboration credible to the bourgeoisie. This "return to the class" could not be carried out in just any old way. The SP had to take account of the Communist party's hegemonic weight in the processes of political radicalization. The task thus became clear. The only way to renew the ties with the working class was through unity in action with the CP — provided that the SP would be simultaneously able to differentiate itself from the CP on the level of recruitment of members by stressing all the weak spots of the CP, raising questions of democratic rights and Stalinism and advocating self-management, which correspond to the workers' desire to challenge the bureaucracy and the hierarchy and to their will to assert their own control.

It was along that axis that after the Epinay Congress of 1971 the new SP began to recruit both to the left and to the right of the CP, making a real impact among the cadres of the CFDT (the second-largest union federation), who were seeking a political party capable of bolstering them in their competition with the CGT (Confédération Générale du Travail — General Confederation of Labor, the largest union federation), which is led by the Communist party faction. A good number of CFDT unionists who had been politicized in May '68 were repulsed by the practices and methods of the CP; in a confused fashion they recognized in the theme of self-management the aspirations shared by a whole section of the broad workers vanguard. Their confused anti-Stalinism was susceptible to manipulation by the reformist leaders of the union, who understood the workers' sensitivity on this score and cleverly substituted anti-Leninism for anti-Stalinism.

But the new credibility of the SP was in part forged by the CP, which by rallying to the support of Mitterrand's candidacy in the presidential elections allowed the SP to capitalize on all the increased prestige generated by the electoral breakthrough of the Bonaparte of the left.

Mitterrand organized the Assises pour le Socialisme flushed with this success. The Assises represented a very concrete attempt to complete the first stage of reconstruction of the SP by lending it a trade-union base through incorporating the leadership of the CFDT and a left cover through absorbing the leadership of the PSU. This operation succeeded on the whole. The Assises were officially organized by the SP, the leadership of the PSU, and the "third force," that is, several thousand CFDT militants, among them the majority of the national leadership. A Charter was adopted unanimously, and thus was prepared the fusion of these three currents during the January 1975 SP congress, at which will be born the new Parti des Socialistes (Party of Socialists). In point of fact, however, this will amount to a pure and simple integration of the other forces into the present Socialist party.

As a program designed to bolster recruitment, the Charter certainly has nothing at all to do with the future electoral program of the party. But it nevertheless represents one of the most advanced documents of European Social Democracy. What a sign of the times! Let's look at a few examples. In the section that explains that "socialism is on the agenda," self-management is presented as "the keystone," and it is even explained that "beyond a certain level, control can be exercised only in terms of specific directives and these can be furnished only by the (national economic) plan. . . . Democratic planning of priorities is inseparable from self-management and is its generalized form." Stress is also placed on the forms of delegation and control: "Election of administrative bodies and of management bodies by the workers concerned must take place in all factories." To be sure, the manner in which the members of such bodies could be recalled is not detailed; the document simply insists on the necessity for "precise and controllable mandates."

So far, so good. But as might have been expected, our Social Democrats do not cross the Rubicon. For our new Socialists, occupation of the state apparatus precedes the conquest of power. It is a question of "an overall political fight aimed at conquering the state, transforming it, and, in time, overthrowing the regime of the ruling class." That's the whole problem. First the state must be managed and then "democratized" before power is taken. But because of the example of Chile,

the document adds later on: "To maintain the structures of the capitalist state would be to perpetuate the rule of the bourgeoisie and to place a question mark over the conquests of socialism at any moment."

Of course, we have no illusions about the fine programmatic words of the Social Democrats. But it would be wrong not to understand the significance of such a document. For a Socialist party that may be on the eve of power to be obliged to draft such words in order to be able to recruit among the working class really shows that something has changed and is changing among this class. "Socialism," "class front," "self-management," coming out of the mouths of Social Democratic leaders! That means that hundreds of thousands of workers today are sensitive to the themes put forward by the vanguard. In writing this way the SP, which must have more than 110,000 members, more than half of whom never belonged to the old SFIO, is letting some wolves into the manger. When the practice of the party clashes with the exigencies of the class struggle, it will not be very easy to tame those wolves.



Rocard, left; Mitterrand, right.

Hence, we can expect the emergence of centrist currents within this party, which is totally dominated by the apparatus of Mitterrand, who in his own organization is already playing the role of a Bonaparte between the "left" and the still silent but nevertheless powerful right. The official left of the party (which includes about 20 percent of the membership) is represented by the CERES (Centre de Recherches et d'Etudes Socialistes —

Center of Socialist Studies and Research, led by J.-P. Chevènement, G. Sarre, G. Martinet, and D. Motchane) and has twenty parliamentary deputies. It has been strengthened by the regroupment process but has not yet differentiated itself from Mitterrand, who has temporarily stolen its principal themes. The left might be thrown out of the leadership, which no longer needs it to hold a majority; in addition, it may prove incapable of attracting new layers of adherents, who may subsequently group together elsewhere.

So far, before things are clarified by the next steps, it is Mitterrand who is coming out of the operation as the big winner. The SP is beginning to implant itself in the factories; it is in process of overtaking the CP on the electoral field; it has in part broken the prestige of the PSU, a small left-socialist formation led by Michel Rocard (with 10,000 declared members); it is incorporating the leadership of the second-largest trade-union federation in the country. It will soon be ready to be drafted into service; but first the bourgeoisie will have to be fully assured that the SP will not be outflanked. However, in spite of its leftist allure, the Assises pour le Socialisme operation ran into strong opposition in the PSU and the CFDT. Thousands of trade unionists and some national union federations (banks, construction, textile, fur and leather) opposed the position taken by CFDT Secretary Edmund Maire in favor of the Assises pour le Socialisme and refuse to see rallying to the SP as the solution and outlet for their struggles. Within the CFDT, debate has been opened up on all the fundamental questions of the workers movement. The first regroupments occurred when the majority of the PSU condemned the policy of the party leaders, who had officially committed the PSU to the process of integration into the new SP.

The crisis of the PSU

The PSU was a grouping of left Social Democrats, centrists, and revolutionaries. The left Christian origins of the majority of the membership explains the combination of the party's verbal leftism and Social Democratic practice. After May '68, when ultraleftism was at its height, the PSU tried to play the role of arbiter between this current and Trotskyism. Then the development of the Union de la Gauche shifted the center of gravity, and the PSU tried to be a bridge between the revolutionary far left and the reformists, all the while increasingly being caught up by the latter. It was at that time that more than 200 PSU members decided to leave the party and join the Ligue Communiste, then the French section of the Fourth International. With Mitterrand's candidacy in the presidential elec-

tions, the PSU cast its lot basically with the SP, which resulted in the departure of a few hundred militants close to Mao-populism. The proposal by the left of the PSU to present Charles Piaget, a central leader of the Lip struggle, as a candidate in the presidential elections permitted this tendency to line up 30 percent of the party's vote against the Rocard leadership.

During the last National Council meeting more than 60 percent of the votes were cast against joining the SP. The outgoing leadership was beaten and replaced by a new leadership led by Michel Mäusel, secretary of the PSU's Paris federation, and supported by Charles Piaget. Former members of the CP now in the PSU played a not inconsiderable role in this overturn. In the coming weeks the deposed right, which controlled the old leadership, is going to leave the PSU to join the SP, taking with it a thousand members at the most.

Once again the PSU finds itself facing important choices. Its new leadership stands on the ground of the revolution, but is encumbered by a whole series of illusions about the possibility of creating a vast "movement for workers control and self-management" by grouping together what they call "the vanguard of struggles" as the basis for a future revolutionary party whose role, functioning, and goal they do not explain. These comrades quickly draw an identity between Stalinist party and Leninist party.

To be sure, the PSU will not have a body of militants stronger than the FCR (Front Communiste Révolutionnaire — Revolutionary Communist Front, the French Trotskyist organization), but it has influence among sectors of the working class and among leftist trade-union currents, especially in the CFDT. Lacking "recognition" from the reformist parties, the PSU will have to work out its own strategy and its own tactics of alliances. Nevertheless, because of its type of functioning and its theoretical flexibility, the PSU will remain an organizational pole for a section of the broad vanguard not yet prepared to make the leap into the camp of revolutionary Marxism.

Thus, while the strengthening of the SP expresses in a deformed way a certain politicization of the masses, the split in the PSU expresses in its own way the growing impact of revolutionary ideas within the broad vanguard. But this period of politicization is also enabling the Communist party to develop and increase its audience among some sectors — at the cost of growing contradictions, however.

The CP special congress

The CP's special congress was called around the same time as the Assises pour le Socialisme. In the CP cells it generated one of the most important debates since the Liberation. The draft resolution submitted to the membership perfectly summed up the objectives set by the leadership: The victory of the Union de la Gauche is at hand; achieving it necessitates not only going beyond the fateful 50 percent mark in the elections, but also taking special care to avoid becoming isolated from the petty and middle bourgeoisie the way the Chilean left did. For CP General Secretary Georges Marchais, France is divided into two blocs: on the one side the monopolies and the representatives of the multinational firms; on the other side all the French victims of the monopolies. The latter camp includes the workers, the small and middle-sized employers, the nonmonopolist employers, career officers, and so on — "everyone in this country who is exploited by the big monopolies." The outlook, then, is simple. On the basis of the Common Program of the left, the Union de la Gauche must be broadened into the "Union of the People of France"; on the political level there must be unity with the Gaullists, "who have been present in all the great national causes." In their attempt to attract the Gaullists, the CP leaders explained that socialism is not on the agenda, that things have to be limited to reforms, and that later on measures will be taken according to whatever is decided by the electoral majority. In any case, the role of the party, "a party for France today," is limited to "speeding up the changes." After having abandoned the perspective of socialism, the initial resolution proposed a new type of recruitment that would no longer be based on the potential member's will to construct socialism but rather on his will to be a leading fighter for the application of the Common Program. The resolution indicated that the "CP is open without restrictions to all those who want to take part in the fight for democratic change." This draft resolution triggered off a big debate throughout the party, especially since it was put forward just at the time that the CP had lost votes to the SP in five by-elections and since the CP youth had already implemented the line by officially meeting with the leadership of the Gaullist youth, the Union des Jeunes pour le Progrès (Union of Youth for Progress), which is linked to the UDR and supported Chaban-Delmas in the presidential elections.

The political discussion in the CP's daily newspaper revealed a great uneasiness among the militants on three points: the policy of alliance with the small and middle bourgeoisie, the new definition of the vanguard role of the party, and the abandoning of socialism as a criterion for recruit-

ment. The malaise among the ranks was so widespread that at the congress the leadership was forced to retreat and accept some formal amendments capable of calming down the membership without challenging the general orientation. The document that was adopted explained that "what we propose to our people is a new, precise, limited experience." "It is a change that conforms to reason." Then the resolution had to add that the CP is fighting for "a French sort of socialism" and that the passage to socialism "can only be the work of a democratic movement of the majority of the nation."

For the immediate future, the problem was to apply the Common Program of the Left to establish the Union du Peuple de France, including the working class, intellectuals, artisans and merchants, officers discontented with the regime (which according to the CP questions independence and rejects a national defense policy), and, finally, "the directors of small and middle-sized enterprises affected by the measures of concentration of capital." The resolution said: "What threatens these owners is not the legitimate demands of their wage earners, supported actively by the CP, but the policy of the big companies, the banks, and the regime. This situation should lead them to act with all the popular forces for democratic change." As for the Gaullists, "who do not support a policy that leans away from the independence of France, limiting its proper international role," they have their place in the Union, for Communists and Gaullists "find themselves side by side in the essential battles for the independence and dignity of France. . . . That is what is new. That is why the Gaullists can see their place in a broad alliance whose goal is to assure unity, prosperity, and the grandeur and flowering of the national community."

Finally, the CP "is open without exclusion to all those men and women who want to act for the great democratic transformations." "To become a Communist," the resolution added, "is to participate in the fight for advanced democracy, to act for the ultimate triumph of socialism."

This general line is not new; it was applied during the Liberation. But in the new period today it arouses lively contradictions. Like the other mass Communist parties in Europe, the French CP has to propose a political solution to the crisis of the system of bourgeois rule. This is the only way the apparatus can avoid being totally outflanked and can maintain control over the masses. But for this Stalinist leadership, there is no question of considering challenging the European status quo by proposing to destroy the bourgeois state. Consequently, the alliance with the Social Democrats has to be accompanied by an alliance with the



the cp ... an "open heart"

nonmonopolist sectors of the bourgeoisie. But the CP, unlike the SP, offers no guarantee to this bourgeoisie. Its Stalinist nature makes the CP constantly appear as a foreign element to the bourgeois state, as a representative of the Soviet state. Thus, the leadership of the French CP has to give the bourgeoisie the maximum guarantees in order to be accepted by the bourgeoisie and at the same time must set out a framework preventing itself from being outflanked on the left.

But this general orientation has given rise to big problems. The alliance with the SP has given the SP new life, and from now on the CP no longer holds a monopoly of intervention in the factories, because of the existence of factory fractions of the SP and of revolutionaries. Electorally, the CP is in process of being overtaken by the SP, and this is provoking a very lively reaction from militants who have been taught to judge the validity of a political line by the electoral results it produces.

But all this was predictable. A good reformist voter who wants to be more effective prefers today to vote for the SP rather than the CP. Here the CP is paying the consequences for its own orientation.

The CP thus has problems justifying its existence separate from the SP. Programmatically, it cannot distinguish itself from Mitterrand, who, as we have seen, sometimes talks a line to the left of the CP's.

Hence, Marchais had to wage a campaign about the possibility of the SP selling out, harping on the SP's past. This is simply "mouthing off" within the CP; it is reported throughout the press, but its only real effect is to harden up the CP ranks on the basis of their old distrust of the Socialists. The leaderships of the SP and the CP are condemned to work together. In the present period of workers combativity the CP leaders have to take account of two contradictory factors: on the one hand the real impact on broad masses of the Union de la Gauche as an electoral solution to the crisis, and on the other hand, the development of struggles that can appear to contradict an electoral solution.

This contradiction is dealt with today by what we call the "spanning tactic." The Stalinists have understood that they can no longer frontally oppose these struggles as they did in 1968 or openly denounce them as they did after the assassination in 1972 of the Maoist worker Pierre Overney, who was shot to death in front of the Renault-Billancourt factory by the company's private police. The bill to be paid for such a policy would be too high. Today, when they are confronted by a mass movement, the CP leaders prefer to allow the struggles to develop and to take leadership of them, even on a very radical platform, as is the case currently with the postal workers. (The workers are fighting for accreditation of 100,000 auxiliary workers, an equal wage increase for everyone of 200 francs a month (about US\$40), and no monthly salary less than 1,700 francs.) Then the CP leaders

count on the time factor. That is, they wait for the regime to demonstrate that it will not give in, and then, in a second stage, they explain to the workers that the government has to be changed, and since that is not possible immediately, they have to back down by emptying the platform of all its most subversive demands in order to find a new negotiating base. If the CP leaders are not discredited during the first phase of the struggle, they can more easily organize a response in the second phase. This tactic, linked to the Stalinists' classical knack for adapting, allows them to avoid being outflanked in a massive way and at the same time to make their electoralist political solution more credible, even if a more consistent broad vanguard emerges in reaction each time.

Thus, it would be wrong to anticipate a massive challenging of the CP's line in the present period. That will happen only after the CP directly sabotages a test of strength or after a few months of experience with a reformist government. But that said, we can expect the outbreak of local crises in which Communist militants through their experiences in struggle become conscious of the contradictions between the orientation of their party and the struggle itself. In fact, these crises have already begun. Generally, the CP militants do not have the political means to challenge the whole strategy of their party; the first breaks are beginning to take place around the concrete consequences of this strategy (in trade-union work, solidarity with Chile, work in the army, the women's movement, etc.). Leftist critiques are being developed in the CP and especially in the Communist Youth; but at the same time, we can count on the emergence of genuine Social Democratic currents, particularly among the intermediary CP cadres, who are both the agents and the products of the process of social democratization.

In the CP, twenty years of practicing peaceful coexistence without any left turn have educated a whole generation in the spirit of parliamentarism, electoralism, and legalism. The Soviet Union is no longer threatened as before, and is therefore dealing directly with American imperialism and the French bourgeoisie without the need for any diplomatic pressure from the CP, from which the Kremlin bureaucrats ask only one thing: that it block any revolutionary process. The French workers do not any longer join the CP in order to defend such a discredited Soviet system.

In this context, the links between the Soviet bureaucracy and the French CP apparatus, while they are still decisive, are nevertheless somewhat strained. (During the Union de la Gauche electoral campaign, the Soviet ambassador showed up of his own free will to pay a visit to and shake the hand of only one candidate: Giscard d'Estaing.)

The apparatus of the French CP is more and more intrigued by the stipends handed out by the bourgeois state and is preparing in every way to manage that state. Finally, the relations between the party itself and the working class are beginning to change

The CP is no longer recruiting the vanguard of the struggles in the factories where there are already vanguard nuclei, but is tending to recruit less politicized workers for whom the struggle and adherence to the CP represent only an initial stage of politicization preparatory to essentially leaving the CP in a later stage. Thus, the CP (and the CGT) is losing members in the workers bastions that have a strong tradition of combativity,* while it is recruiting in the small and middle-sized factories.

The CP apparatus, well on the way to renovation, is increasingly composed of young members, managers of trade unions who are accustomed to breaking struggles and often lack the prestige of the older generation.

The dynamic of the CP's orientation is leading to a lowering of activity in the factory cells and an increase in that of the neighborhood cells.

In such a context, some currents could push this dynamic to its logical end and ask themselves questions about the reasons for the division of the CP and the SP. But there should be no illusions. They will be met with a strong ripost from the central apparatus, which is already waging (as yet without success) a vigorous campaign to revitalize the work of the factory militants and to reaffirm the Soviet Union as the international reference point. The Stalinists are ready to make many concessions, but they know how to guard their independence as a measure of self-defense. Thus, Fitterman, Marchais's personal secretary, declared at the CP congress: "There sometimes exists a tendency in our ranks not to appreciate the real value of the results achieved by the socialist countries. Today, by making known and understood the unvarnished reality of the socialist countries, we have the means to go on the offensive."

The French CP remains a Stalinist party, but its process of social democratization allows revolutionary Marxists new opportunities for intervention, especially within the bastions of the working class.

*In the Renault factories (33,000 workers) the CP claimed 2,500 members in 1971 and 1,300 members in 1974. At Peugeot-Sochaux (36,000 workers), the CP has 200 members. At Usinor-Dunkerque (12,000 workers) the CP claims 70 members. And so on.

The phenomena of the restructuring of the French workers movement that we have analyzed briefly here are the results of the political and structural changes of the past few years. They are taking place at a time when the workers, after recovering from the aftermath of the failure of May '68, are preparing for great confrontations with the employers and the state. In coming weeks and months, we must expect the outbreak of struggles of great breadth around the problems of wages and employment. These struggles will lead to a strengthening of the revolutionary Marxists, but at the same time they will temporarily strengthen the reformists, who are armed with a political solution that remains broadly credible in the eyes of the masses.

In this framework, one of the tasks of the militants of the FCR is to address themselves to the various

centrist currents produced by this radicalization, to open a political debate with them, and to do everything to organize unity in action. This unity has to be effected around two themes that are essential in the present political conjuncture: advancing unifying demands in the struggles and popularizing and actualizing all the forms of self-organization of the working class, the only means of effectively countering the class-collaborationist program of the reformist leaderships. This unity in action with the centrist and left Socialist currents will allow the broad vanguard to exert a greater weight in the struggles, to impose unity in action on the reformists in some sectors, and thus to effect the outflanking that can help in beginning to change the relationship of forces between the reformists and the revolutionaries, to the benefit of the struggle of the workers. □

ITALY

THE ECONOMIC MESS

The turn in the Italian economic conjuncture that had been universally predicted occurred this past summer. The new recession has begun and is now in full swing.

Aspects of the deterioration of the situation can be listed on all levels. Industrial production, which had gone through a noticeable increase during the first six months of the year, began to turn around in August; it fell by 4.6%. The negative conjuncture has fully penetrated the automobile industry (Fiat and Alfa Romeo have reported unsold units of

dragged in too. (According to the National Federation of Metal Craftsmen, of the 21,620 small firms linked to the automobile industry only 20% are continuing regular production; 50% are in serious difficulty, and 30% find themselves "in extremely worrisome conditions standing on the edge of extinction." (La Stampa, October 27.)

In the textile industry the news for the month of October is no less grave. Some 20,000 workers were on partial unemployment at the end of September; today, according to the October 26 *Corriere della Sera*, the figure is 50,000. According to the secretary of the Filta textile union, affiliated to the CISL (Confederazione Italiana Sindacati Lavoratori — Italian Confederation of Trade Unions, the country's second-largest union federation), there is an imminent threat of massive layoffs. There have been suspensions even in the chemical industry, which could be an indication of rising tension (at Snia Viscosa, Montefibre, and some petrochemical factories in Ferrara and Mantova). In the construction industry the crisis is nothing new. But the fact

by LIVIO MAITAN

200,000 and 20,000 respectively), and the employers have begun to order heavy reductions in the work-week (about 71,000 workers are on a twenty-four-hour week at Fiat). The auto crisis is affecting a series of small and middle-sized industries that are linked to auto production. Other related industries like distribution and repair will most probably be



is that there is no sign of early recovery. Production of housing units fell by half between 1971 and 1973. During the first four months of 1974 the volume of planned construction projects registered a 7% decline compared to the first four months of 1973. There was also a decline, although a more modest one (3.5%), in the number of projects on which construction was actually begun. (See *Rinascita*, No. 42.) It should be noted that in spite of this decline, construction accounted for 38.7% of all credits advanced to industry. (*Corriere della Sera*, October 27.) According to the predictions of the employers, 1974 and 1975 may see further reductions on the order of 10-15%. As for employment, Secretary Giorgi of the CGIL (Confederazione Generale Italiana del Lavoro — Italian General Confederation of Labor, the CP-led trade-union federation, largest in Italy), predicts that unless there is a change, unemployment in the industry could reach 25% or even 50%.

The saturation of the internal market for electrical appliances is nothing new. In the past, the foreign market has absorbed as much as 80% of the production of this industry. But now crises are beginning to break out in the French and British markets, and the 12% devaluation of the Australian dollar will make Italian exports more expensive there.

Toward the end of the month of October, total unemployment reached 800,000, according to official statistics (*Corriere della Sera*, October 25). This means that the real figure is significantly higher. (In any case, 800,000 means a little more than 4% of the active population.) As for consumption, it is enough to mention the fall in auto sales (3.4% for the first eight months of 1974) and the decline in sales of beef (which, according to the director of the Italian consortium of industrial butcheries, has ranged between 30% and 35% during the past several months). The decline in auto sales becomes especially significant when it is recalled that sales were down even in 1973 and that the first eight

months of 1974 actually coincided with an economic upswing.

Italy had already scored admirably among advanced capitalist countries in the race for higher prices during the first four months of 1974. Italy had annual increases of 15-20%, trailing only Japan, which racked up rises approaching 25%, but outstripping all other advanced capitalist countries, including Britain. By September, prices were 24.6% higher than they had been a year earlier; the increase for September was a record, 3.3%. (See *l'Unità*, October 26.) An additional element that deserves mention is the difficulty in making up the enormous balance of payments deficit, which is about to reach 6 million million lire.* These difficulties will be further increased by the reduced profits drawn from one of the sources that has contributed to equalizing the balance of payments in the past: foreign tourism. During the first eight months of 1974, the inflow of money from tourism stood at 837 thousand million lire, as compared to 960 thousand million during the same period of 1973. To complete the picture, it must be remembered that the Italian bourgeoisie has already run up a foreign debt of 11 million million lire in its efforts to avert major collapse. Of the total, \$3.6 thousand million is owed on loans taken out from various institutes and companies; \$8.2 thousand million is owed for loans taken by Crediop, IMI, Ferrovie, etc., to compensate for the estimated balance of payments deficit; \$1.2 thousand million, of which \$650 million has been used, is owed for stand-by loans from the International Monetary Fund (IMF); \$312 million is owed for "Oil facilities" of the IMF used to compensate for the oil deficit; \$1,889 thousand million is owed

*Just to give an idea of the depth of the crisis, in a study carried out in 1970, major Italian economists judged that in order for there to be sound economic progress, price increases should be held under 6% and the balance of payments deficit should not exceed 300-400 thousand million lire.

to the Common Market and is due to be repaid this December; \$2 thousand million is owed to West Germany, guaranteed in gold over a six-month period and renewable for two years. (See *Corriere della Sera*, October 22, and *Rinascita*, No. 42.)

A long-term decline

But the present serious economic difficulties can be understood in their full import only if account is taken of the more general context. The recession that is currently looming comes shortly after another recession whose first indications could be detected as long ago as the end of 1970. That recession was not overcome until the spring of 1973. What is perhaps even more significant is that even before the 1971-1973 recession, the long-term economic course had been marked by a tendency to decline.

Let us take a look at this latter phenomenon. Since the beginning of the 1950s, the Italian economy has gone through three cycles of generally equal duration: 1951-58, 1958-64, 1964-71. The general growth rate went from 5.1% in the first cycle to 5.7% in the second. In the third cycle it fell to 3.8%. If the statistics are based on a longer period independent of the cycles, the results do not change: In the period 1951-61 the increase stands at 5.8%; it falls to 4.7% for the period 1962-73; the average for 1951-73 is 5.4%. (See the magazine *24 Ore*, special issue of January 1974.)

Half of the decline in the growth rate can be attributed to decreases in industrial production, manufacturing industries being hardest hit. During the 1950s industrial investments increased at an average annual rate of 7.3%. The rate of increase was higher in 1962-63. In 1963-65 the rate declined by 37% and continued at a reduced rate such that by 1969 industrial investments had only returned to the level of 1963. (In 1970, there was another upturn, but not in important sectors; then a new decline set in.) Further, since 1963 self-financing, on the basis of which the expansion would have been able to continue (within certain limits), has been in such a decline that expansion could be carried out only at the cost of increasing the indebtedness of the companies. Profits, which had remained high throughout the 1950s, began to decline at the beginning of the 1960s. (Taking 1953 as a base of 100, the level of profits on gross income in the manufacturing industries rose to 114.3 by 1960 and then progressively declined to 91.2 in 1964, the lowest level reached until 1970, for which the figure fell to 82.9.)

But even more significant — because of its obvious social effects — is the trend toward higher unemployment. In fact, motion on this field began to become noticeable even in the second phase (1958-

64). While employment increased at an average annual rate of 0.5% during the first phase, it declined in the second and third phases (average annual declines of 0.5% and 0.3% respectively). It is scarcely necessary to recall that the decline in employment took place despite an imposing number of workers who found themselves obliged to go abroad in search of jobs. One point deserves special mention: After the 1964 decline, the level of industrial employment took five years to recover (6,667,000 in 1963 and 6,750,000 in 1969; 6,920,000 in 1970). From the other side, the section of the work force seeking employment rose to about 3.5% during the period of recovery after 1964, after having fallen to 2.5% in 1963.

The so-called *Progetto '80*, a report that was issued in 1969 (that is, in a year that was not at all negative in terms of employment levels), sketched out long-term perspectives that were anything but exhilarating. Beginning from the relatively optimistic supposition of a total increase in the national income of 5% a year, the report projected two goals of development, based on two different hypotheses about productivity increases. One called for a total increase in employment by 1980 of 100,000 jobs, the other for an increase of 350,000. Total nonagricultural employment would be 1.1 million jobs or 1.4 million depending on which goals were reached; that is, it would in any case be insufficient to meet the increase in the number of people seeking jobs. (The increase is generated by the addition to the job market of young people now in school and by the continuing exodus from the countryside to the city.) In other words, *Progetto '80* counted on a further reduction in the proportion of the employed population to the total population. That percentage has already declined significantly; between 1959 and 1968 it fell from 43.8% to 37.4%; by 1972-73 it had gone down to 35.4%.

Some apologists have claimed that this decline reflects the expansion of the tertiary sector and the modernization of the country. They claim that the reduction is due to the increase in the number of people in school, the lowering of the retirement age, the increase in life expectancy, and the fact that the families that are now moving from the countryside to the city are much less dependent on the labor of women. But this theory is only partially correct. To prove this it is enough to point out that the rate of employment among the total population is significantly higher in the North (38%) than in the South (31%); and no one can seriously maintain that the South is the most "modern" part of the country. Regional statistics are even more revealing: In 1968, for example, the rate was 42.7% in Piedmont and 31% in Sicily. Conditions in Campania, a southern region that nevertheless has zones of significant industrial development and of inten-

sive agriculture, deserves particular attention. Between 1961 and 1971 total employment in the region decreased from 1,698,000 to 1,552,000. During the same period, industry's share of this employment declined from 565,000 to 538,000; agriculture's share declined from 581,000 to 419,000, while employment in the tertiary sector rose from 552,000 to 595,000. In addition, it must be kept in mind that in many cases the increase in employment in the tertiary sector in the South results from an extension of underemployment rather than an effective shift of labor to other sectors of activity. (See *Rinascita*, No. 42, 1974.)

Some information about the recession that preceded the present one is in order as well. While the beginning of the previous recession can be dated from the end of 1970, some people have even spoken of it as dating back to the end of 1969. (For example, see *24 Ore*, January 1974.) At the time, the *Confindustria* (*Confederazione Generale dell'Industria Italiana* — General Confederation of Italian Industry) defined 1970 as a year of transition. It was a year of growth, but it did not launch a new sustained upturn. The growth occurred mostly in the first half of the year and represented increases compared to 1969, a year that was marked by huge strikes and consequent reductions in production.*

It has been correctly observed that if it were not for the events of 1969, the recession would have started even earlier. This is additional proof of the falsity of the claim that the current economic difficulties are a result of excessive social conflicts.

In any case, it is clear that 1971 was a year of recession. The gross national income increased by only 1.4%. The added value of industrial activity suffered a similar decline, 1.3%, with industry properly so-called declining 0.4% and the primary sector almost remaining stationary (increasing 0.8%). Total employment fell by 63,000 jobs (47,000 in industry) and unemployment reached 3.1% according to official statistics. Underemployment also increased (up 62,000 for a total of 312,000). Total heavy investment fell by 10.3% (industrial investment remaining stationary). In 1972 the situation improved slightly as compared to 1971. Gross national income was up 3.2%, investments up 2%, industrial production up 4.3%. Nevertheless, it must be remembered that if 1970 is taken as an index of 100, industrial production dropped to 95.6 in 1971 and by 1972 had climbed back only to 99.8. (*24 Ore*, January 1974.) As for utilization of plant and equipment (which had fallen from 82.7% of capacity to 78.9%), it took another drop, to 76%. According to statistics released by CENSIS, total employment dropped by 500,000 jobs during the first half of 1972 (from 18.9 million to 18.4 million).

Recovery came only in the first half of 1973 and extended through the first half of 1974. The national income increased by 5.9% in 1973; investments increased 9.9%, and employment grew by 140,000 units. (Agriculture continued to decline, but the loss was compensated by growth in industry and the tertiary sector. Between July 1972 and July 1973 employment variations among the three sectors were as follows: agriculture down 131,000 jobs, industry up 88,000, tertiary sector up 384,000.) The industrial index rose to 107 (with 1970 as a base of 100), while utilization of plant and equipment rose slightly, to 79% of capacity.

The final element, whose significance for the future was lost to no one, was that integration of the Italian economy into the world economy was further accentuated during 1973. The ratio of foreign trade to the national production, which had already been 52%, rose to 54%.

The web of contradictions

The web of structural and conjunctural contradictions emerges ever more acutely and explicitly from all the elements we have summarized above. Once again limiting ourselves to essentials, we should stress the following points:

1. The potential of the productive apparatus, especially in the most dynamic sectors, increased more rapidly than did the possibilities of expanding the internal market. At the same time, the international economic conjuncture resulted in sharpened competition, thus reducing the possibility of overcoming difficulties through increased penetration of the European and world markets. (It should be noted in passing that stimulation of exports — along with suspensions, layoffs, intensification of the rate of exploitation, and restriction of wage increases — was a decisive factor in overcoming the crisis of 1964.)
2. Contrary to the assertions of neocapitalist theoreticians, the presence of a backward and parasitic sector of considerable dimensions was not necessarily in contradiction with economic development during a boom period. In fact, so-called parasitic employment (in the "useless" state institutions, for example) served to occupy not negligible sections of the active population. Furthermore, it was exactly this distorted development — distorted in the sense of diverging from "ideal" capitalist development — that fostered the spread of certain intermediary social strata that constituted a market for certain commodities (durable consumer goods, houses, etc.) and at the same time served as the political glue needed to hold the system together. Nevertheless, the "parasitic" or unproductive sector wound up provoking even more serious imbalances, generating dramatic

tension. (It is enough to recall the urban chaos and the explosive situation in the sanitation sector.) The parasitic strata contributed to intensifying disorder in the political and administrative apparatus, threatening to disrupt even the minimum functioning necessary for the system's survival; these strata began to represent an ever less tolerable weight as the exhaustion of the boom restricted economic maneuvering room.

Thus, today more than ever, Italian capitalism is suffering both from the contradictions of capitalism at its highest level (the automobile crisis, for example) and from the contradictions deriving from Italy's specific development during the past twenty years (among which the so-called phenomena of backwardness are an essential part and not an added excrement inherited from the past). Furthermore, the weight of the structural contradictions is making itself felt ever more directly and immediately, while at the same time the contradictions of conjunctural origin are intensifying, all the more so in that ascending phases now tend to be less dynamic and of shorter duration and recessive cycles tend to coincide more closely in various countries.

Overcoming the crisis appears problematical if the existing contradictions are considered from another standpoint. Undoubtedly, inflation guaranteed the bourgeoisie certain margins for maneuver during the past several years and was the main instrument with which the relative upturn in profits was carried out in 1973 and at the beginning of 1974. But the result was that the rate of inflation got out of control, causing serious disorganization of the system. It must not be forgotten that the advantages that inflation may provide in terms of exports can be largely or even entirely wiped out by price increases on the internal market; further, inflation strengthens tendencies toward speculation and the search for "old reliable goods," which results in the immobilization of capital; it also deeply shakes the system of credit, and, finally, it makes the constant resort to foreign loans more difficult.

Moreover, overcoming the crisis would require vast operations to restructure the economy; in most cases that would require massive investment. But with the decline in self-financing it becomes more difficult to obtain credit, and this provokes a competition that a great number of small and middle-sized companies cannot afford. In addition, the economic and political situation makes it more difficult to obtain funds through the stock market, for, as we have already mentioned, funds are being directed toward speculative operations or toward the search for "reliable commodities." Under these conditions, there is a threat that exactly the sort of investment that is most needed will not be made: long-term investment.

Finally, while on the one hand the Italian bourgeoisie needs to find new outlets in the external market and to receive more aid in various forms (like loans), on the other hand it is hastening to take measures of a protectionist flavor (the law on obligatory savings being an example). This is a supplementary contradiction that is not restricted to Italy in this period; but it does take on particular acuteness and immediacy in Italy.

Alternative solutions

In the abstract, the Italian bourgeoisie can consider two different ways of extracting itself from its crisis in the medium term.

The first would be to opt for an economic reconversion of broad scope based on: 1) singling out new, promising sectors (some sectors of the chemical industry, for example); 2) boosting production aimed at satisfying so-called social consumption (housing, transport, hospitals, etc.); 3) pumping aid into agriculture, which, by making production profitable again in a few given sectors could reduce the level of imports (with consequent benefits for the balance of payments) and slow down, if not halt, the rural exodus, which is assuming ever more irrational forms (even from the strictly economic point of view).

Such a project would undoubtedly run into serious difficulties. It remains an open question whether



Gianni Agnelli of Fiat. 200,000 unsold vehicles.

new advancing sectors can be found, especially when the many effects on employment are taken into account. (For example, it would be difficult for even a very impetuous development of certain branches of the chemical industry to play the role that was played in the 1950s and 1960s by the development of the automobile industry. In any case, reconversion, whether in industry or agriculture, would require time, in addition to other resources that are not very readily available. Far from diminishing, tensions would threaten to become even further intensified for a whole transitional period. But the major difficulty lies in the fact that a reconversion of the type proposed would require large-scale planning and therefore the existence of instruments able to carry out the plan in practice. Is it possible to believe that this condition could be met? The universal consensus on the total failure of even the most modest programmatic projects worked out ten years ago, and the recent resignation of Ruffolo in the midst of the economic and political crisis this autumn, serve as almost symbolic answers to this question.*

Nevertheless, if a number of social and political conditions were met, in the final analysis such a project could breathe some life into the Italian economy, easing the weight of certain structural contradictions and postponing the outbreak of new explosions of these contradictions.

*The failure of these projects has long since been admitted even by the very economists who were most involved in trying to carry them out (Ruffolo and Sylos Labini, for example). It should be noted that these economists sought to locate the cause of the failure in the economic, political, and cultural "backwardness" of Italy, which they considered fundamentally atypical in capitalist Europe, particularly in terms of the subjective weakness of even the most modern of entrepreneurial groups and in terms of the enormous inability of the state apparatus to function. In his *Rapporto sulla Programmazione* (Report on Programming) Ruffolo indicates that "the conditions necessary for the success of programming are essentially social and political in nature." But in the first place, he does not draw the conclusion that is nevertheless partially implicit in his statement (namely that the social and political conditions are the breakup of the system as such); in the second place, the proposals he advances do not go beyond technical-institutional limits. It also appears strange, we may say in passing, that in 1965-66 Ruffolo considered "unpredictable" certain basic changes (such as those that have occurred in international integration, in the labor market, and in the structure of the industrial system) that were nonetheless easily foreseen and in fact predicted by Marxist scholars.

The second way out for the bourgeoisie would be to undertake a reconversion in a diametrically opposite direction, so to speak — a direction whose logic has in a certain sense been embryonically anticipated in the tendencies toward declining development and the contradictions in the realm of employment. This would amount to pushing for a new upturn in the economy on a more restricted basis, lending a privileged position to goods accessible only to given layers of the population. (For example, the automobile industry could seek a new equilibrium through production based on vehicles made for a social layer in position to guarantee a more stable demand.) Such a program would imply further reductions in the work force on the one hand (with a further decline in the rate of economic activity) and certain tendencies of an autarkic nature on the other hand. The difficulties and risks involved even from a strictly economic standpoint, are so obvious that there is no need to dwell on them. Nevertheless, a solution of this kind would not be impossible, at least for a certain period.

But both alternatives involve major obstacles of a political character. If the first road were taken, it would be necessary to impinge upon vast and solid constellations of interest whose strength has already been tested more than once since the beginning of the center-left government. If the second alternative were adopted, the ruling class would have to be in position to break the resistance of the working class. Exactly for these reasons (apart from the internal contradictions they involve), the two solutions remain largely abstract. Likewise, the two political formulas that would be required to guarantee them appear extremely difficult to realize in the given context. The first solution would require the "historic compromise" proposed by the Communist party (or some equivalent formula); the second would require a conservative and authoritarian regime, if not an outright fascist or military dictatorship.*

Short-term prospects

What are the short-term prospects? Some people have insisted on the facts (in themselves incontestable) that the recession has not hit all sectors and that some particular sectors are even continuing or on the rise. Others have expressed the view that the

*It is clear that those who have most consistently and insistently proposed the first alternative have been the leaders and economists of the Italian Communist party. This is generally recognized by various economists who have been engaged in the economic program of the center-left and in economic planning.

new recession may not be any worse than the 1964 or 1971 recessions, provided that a serious incomes policy is adopted and that big efforts are thrown into bolstering agriculture and the construction industry. Finally, it could be stressed that in spite of its chronic political crisis of leadership, the ruling class has succeeded before in reestablishing its profits by means of inflation; several months ago it succeeded in imposing a drastic redistribution of income by means of its fiscal decrees, and in the past several weeks it has managed to push through a reduction of the workweek in many important factories, particularly in the workers stronghold of Fiat.*

This is not the place to deal with the critical problem that is confronting the entire world economy: Could the current recession have effects as devastating as those of the depression of the 1930s? In broad outline, at least for the moment, the response would have to be negative, especially given that despite everything, the ruling class today commands instruments for intervention that it lacked in the 1930s and that it is more difficult to fall back on exclusively national solutions. (The attempt of each capitalist class to take measures to save itself alone, and the inability to conceive of an international response, were factors that had a serious influence on the scope of the great depression.) From the other side, the working class commands guarantees that, while only relative, are nevertheless not insignificant, both from the standpoint of defending their immediate interests and from that of guarding against the economic effects of the recession (unemployment compensation, guaranteed income, etc.). But what is certain, and what we want to stress here, is that the tendency on a world scale will not be reversed through the end of this year, and probably through the first half of 1975. The situation will consequently become even more serious in the coming eight to twelve months than it has been up to now

To return to the subject of assessing the scope of the recession in Italy, it should not be forgotten that while the automobile crisis is certainly a sectoral one, it concerns an industry that has greater specific weight in Italy than it does in any other

*It would not do to underestimate the import of the reduction in employment that can be achieved through putting a freeze on hiring. This is proven by what has happened during the past period at Fiat and, over a longer period, at Pirelli-Bicocca in Milan.

capitalist country (a sector that involves between 800,000 and 1 million people, taking account of the related industrial branches). It must also be recalled that the difficulties in the auto industry are increased by the depth of the crisis of this sector on a world scale and by its largely structural character.* Moreover, the problems of reconversion and diversification are not easily solved and, in any case, are actually insoluble in the short term. (It would be no easy matter, for example, to carry out the project, announced by Umberto Agnelli, of reducing the weight of automobile production from 90% to 50% of Fiat's total activity.)

Second, it is certain that steel production has gone through a new increase and that Italsider of Taranto has received important orders. Nevertheless, some sectors of the steel industry will inevitably feel the effects of the auto crisis, and in a city like Taranto the positive situation of Italsider alone is not sufficient to avert 15,000 layoffs which will be imposed by 1975 in companies linked to Italsider. (Some 15,000 workers are already on partial unemployment.) As for the massive upturn in construction, it will not be easy to overcome the difficulties holding up investment (increase in interest rates, collapse of the real estate investment funds, etc.). It is also hard to see by what miracle the bottlenecks paralyzing public initiatives in construction can be eliminated (not to mention the availability of land).

The conclusion is that the ruling class has only a very narrow margin for maneuver and that in the long term and the short and medium term as well, the problem is posed in political terms: Will the ruling class be in position to impose on the working class a drastic reduction in living standards and a contraction in employment levels? Will it be able to impose heavy sacrifices on broad sectors of the petty bourgeoisie? Will it be able to carry out its operation aimed at "cutting off the dead limbs" of small and middle-sized industry?

The very least that can be said is that in a country with the political and social conditions prevailing in Italy this year it is extremely unlikely that such surgical operations can be performed painlessly and without provoking reactions from the patients. □

*In the first nine months of 1974 registration of automobiles in Western Europe decreased by 16% on the average; registrations were down by 20% in West Germany and 25% in Britain. In the United States, auto production in the month of October 1974 was down 21.8% in comparison to October 1973, which was itself an unfavorable month.

the bureaucracy tightens the screws

by Z. RICHTER & E. CAMPAES

In the space of one week, the Hungarian police arrested the sociologists Gyorgy Konrad and Ivan Szelenyi, and the poet Tamas Szentjoby. The repression has been intensifying in Hungary for a year now. There have been bans on sociology colloquiums; Miklos Haraszty was given an eight-month suspended prison sentence; there have been threats against Haraszty's associates; searches and surveillance have been stepped up. Haraszty is the symbol of the growing intellectual radicalization in Hungary. He was the organizer of the Vietnam Committees, whose radical slogans led the bureaucracy to declare the committees outlawed. Expelled from the Communist Youth and from the university, he organized a group to study Lenin and socialism. On several occasions, the police tried to seize his manuscripts. Haraszty then went to work in a construction factory, and out of his experiences there came a book, called *Piecework*, which was a collection of testimony about working conditions that was crushing to the regime. The book was banned and the author arrested, but

the mobilization of intellectuals was able to prevent the regime from putting him in prison.

Nevertheless, for the past two decades Hungary has been considered as a "liberal" country in which intellectuals particularly could express themselves freely. The reforms of 1968 seemed to have opened up a new era. But then what?

Role of the reforms

The 1968 economic reforms corresponded to the necessity to break with twenty years of economic development based on the "classical Stalinist model," which means giving priority to heavy industry. In a small country lacking natural resources, having an agricultural majority, and possessing an industry of a very special type implanted by German capitalism in the period between the two world wars, this "model" was a catastrophe. There were repeated agricultural crises; after the

Budapest, 1956



forced collectivization of 1948, there was a break between the regime and the peasantry. There were crises of productivity in heavy industry, investment was anarchic, and dependence on the Soviet Union was stifling. The workers responded with the insurrection of 1956 and the workers councils. The bloody repression of the insurrection was to provide a relative stabilization for the regime, which had to move toward reforms in order to prevent the same sort of situation from developing again.

The reforms were aimed at several objectives:

*Breaking with autarky through growing integration into both the socialist market and the capitalist market by developing advanced industrial sectors (chemicals, electronics, pharmaceuticals).

*Reforming the price system, which had provoked the anarchy of investment. Many enterprises were allowed to freely set their own prices on the basis of "the market." The export industries were the driving lance of this initiative.

*Initiating a productivity race by setting up a system of substantial bonuses — especially for technocrats!

*Developing the consumer goods industry, particularly by giving a new impetus to agriculture.

The bureaucracy was thus able to reestablish its base; the working class was calmed down; the peasantry saw its income in the cooperatives rising faster than income in industry, and was able to freely dispose of a part of the agricultural surplus, selling it at will (and at prices it set itself). The salaries of the technocratic layers were doubled and even tripled by the bonuses; their habits of consumption were "westernized" by the greater availability of durable consumer goods (televisions, automobiles, refrigerators, and so on, which were aimed almost exclusively at these layers and at the export market).

Nevertheless, not all the contradictions were resolved.

An explosive situation.

The economic crisis of capitalism has had repercussions on Hungary, which is now strongly linked to the capitalist market. The crisis of the capitalist market in raw materials causes difficulties in Hungary. Moreover, the Soviet Union has given priority to exports to the West, thereby disorganizing the production plans of Czechoslovakia and Hungary; restrictions on the use of oil are also on the agenda in the workers states, contrary to the assertions of the French CP newspaper, *L'Humanité*.

But more profoundly, the economic reform created new contradictions that are going to intensify. A growing inequality in income is being caused by the bonuses (the Hungarian workers are not strongly motivated by the bonus system, especially in that they are not entitled to very much under the system: a yearly maximum of one month's wages). There are now tendencies within the technocracy, the master of economic development, that openly favor the restoration of capitalism.

These tendencies fail to understand why there has been an attempt to "liberalize" prices while at the same time preserving a banking system centralized and under the direct control of the central government. There are tendencies that are coldly considering underdeveloping certain regions of Hungary in order to rationalize production and create a reserve army on the scale of the whole COMECON. The temptations can be understood when it is recalled that the leaders of the economy are being sent for one-year courses at the Harvard Business School. But these tendencies have not yet crystallized politically. At the same time, moving from an era of heavy industry to an era of production of "consumer goods" raises the problem, described by Trotsky in *The Revolution Betrayed*, of the necessity of calling for a minimum of initiative and decision-making on the part of the masses. And that, in time, could be a factor challenging the bureaucratic character of the plan. It is through the prism of this necessity that the post-reform "liberalization" — the relative freedom granted intellectuals until last year — must be understood. (It went so far that French CP leader Georges Marchais even proposed a public debate between Hungarian Minister of Culture Aczel and French Minister of Culture Peyrefitte.)

But finding an equilibrium is always difficult for a bureaucracy that cannot tolerate the slightest autonomy of any social layer. Kadar, the old Bonaparte of the post-1956 period, had trouble continuing to play this role. The pro-Kremlin tendency was getting nervous; it achieved a gain a few months ago with the removal of Nyers (the "father" of the economic reforms) and Aczel from the leadership and the addition to the leadership of Komocsin (who died only a month later). On that basis, it was then possible to strike very hard blows at the intellectuals.

In the present context, the radicalization of the intellectuals is a decisive factor, given the fact that the working class is still apathetic, traumatized by the crushing of the 1956 revolt, and is retreating back into itself. (The sharp new rise of alcoholism is one of the most tragic expressions of this.) Last year there were demonstrations in Budapest that mobilized up to 2,000 people — students, high-schoolers, and a not inconsequential number

of young workers radicalized by the Houses of Culture. The slogans came directly from the French May of 1968: "This is only the beginning!"

The first steps taken by this opposition are deci-

sive. With the crisis deepening, it is vital that our support be thrown into popularizing the recent struggles in Hungary: the mobilizations for Haraszty and the mobilizations against the implementation of an anti-abortion bill. □

SPAIN

LCR-ETA(VI) DENIES POLICE REPORT

The following communiqué has been issued by the comrades of the LCR-ETA(VI) (Liga Comunista Revolucionaria-Euzkadi ta Askatasuna VI — Revolutionary Communist League-Basque Nation and Freedom, Sixth Congress), a sympathizing organization of the Fourth International in Spain.

* * *

Recently, certain European newspapers, picking up reports from the Spanish press that were obtained directly from the Social-Political Brigade (the political police), have published reports referring to the alleged arrest of members of our leadership and of seizure of printing material for our newspaper, *Combate*.

Both these reports are totally false. They have nothing to do with reality. The clearest proof of this is that our organization is continuing to carry on its political activity normally and to put out its publications regularly. At the very moment that these reports appeared in the newspapers, we published a special broadside on the struggle of the political prisoners; it was published simultaneously in France by the comrades of the Front Communiste Révolutionnaire (Revolutionary Communist Front. See *INPRECOR*, No. 11, October 31 for the text of part of the broadside).

This distortion of news is part of a campaign of persecution and discredit directed at our organization, a campaign that has been intensified since the time of the fusion of the LCR and the ETA(VI).

This campaign against the LCR-ETA(VI) is being carried out by trying to attribute to us actions with which we have absolutely nothing to do and by trying to link us to organizations like the ETA(V), MIL, FRAP, etc.,* from which we are separated by profound differences of all sorts, although we defend these organizations unconditionally against the Francoist repression.

Most scandalous is the attempt by the political police itself to attribute to us preparation of a plan to break ten political prisoners out of the Segovia prison. We salute, approve, and support any initiative to save militants held in Francoist jails. While that is certainly our political position, it is nevertheless equally certain that there was no concrete plan in regard to the Segovia prison.

But this campaign is not accidental. It is undoubtedly preparation for an intensification of the repression against our organization and against other political groups as well. We must respond to this by redoubling our efforts to oppose the Francoist dictatorship, both within the Spanish state and internationally.

ALL UNITED AGAINST REPRESSION!

*ETA(V): Euzkadi ta Askatasuna V — Basque Nation and Freedom, Fifth Congress. MIL: Movimiento Iberico de Liberación — Iberian Liberation Movement. FRAP: Frente Revolucionario Armado del Pueblo — Revolutionary Armed Force of the People.

TOWARD A REVIVAL OF STRUGGLE

Last October 3 the Banzer military dictatorship ordered Bolivian universities shut down in response to a strike by La Paz professors that had lasted for twenty days and was threatening to spread to the entire country.

This government measure was immediately rejected by the majority of the people. It was the professors themselves, supported by the university students, who organized the first response. On October 4, at an assembly of professors, high-schoolers, students from San Andrés and the Catholic University, some fathers of families, and some workers, the government was censured and General Waldo Bernal, the minister of education, was declared an "enemy of culture." A big demonstration was then organized that blocked the main streets in the center of the city. The government saw that the ranks of the marchers were swelling as the demonstration marched along and responded by sending hundreds of carabineers and plainclothes police against them. Tear gas and police dogs were used. On both sides people were wounded in these clashes. Later, the police claimed to have sustained gunshot wounds. Many professors and students were arrested.

The movement spreads

Similar demonstrations took place in other cities (Oruro, Sucre, Cochabamba), but there the combativity and the mobilization were not so extensive. The universities were transformed into centers of popular meetings.

Messages of support from workers organizations were read at all the assemblies and meetings, and Intersectoral Alliance Committees were organized.

Concurrently with these demonstrations, a wave of strikes broke out that shook the entire country. On October 5 the mineworkers federation paralyzed all the nationalized and private mines for twenty-four hours. The universities also went on strike. Even the National Confederation of Manufacturers, considered a "scab" organization, called for a two-hour work stoppage in solidarity with the professors and against the shutdown of the educational system. The La Paz and Cochabamba sections of this confed-

eration considered this measure ridiculous and called for a twenty-four-hour strike on October 7.

The trade unions of the graphic arts workers, drivers, bank employees, construction workers, journalists, and liberal professions (doctors, lawyers, engineers, etc.) also condemned the government and expressed solidarity with the professors, demanding abrogation of the decree closing the educational system, freedom for all those arrested during the struggle, and the return from exile of Dr. Morales Avila, the president of the Confederation of Liberal Professions. He had served as mediator in the conflict and had later been expelled from the country on charges of having conspired against the dictatorship.

Struggle for trade-union democracy

The antecedents of this conflict must be sought in the government's control of the trade-union organizations of the professors, which was decreed by the dictatorship when it came to power in 1971. The FSB (Falange Socialista Boliviana — Bolivian Socialist Falange) and the MNR (Movimiento Nacionalista Revolucionario — Revolutionary Nationalist Movement) then took control of the teachers union and used the Ministry of Education to install "new trade-union leaderships," taking away the professors' right to elect their leaders and to democratically organize their own representative leaderships.

The dictatorship tried to take control of all the mass organizations, and its repressive policy was directed toward this objective. It failed very soon in the workers sectors. The miners took the lead in defense of their trade-union organizations and forced respect for the Mineworkers Federation and its right to function; the miners were followed by the graphic arts workers, the construction workers, and others. Very few workers trade unions remained under the political control of the dictatorship.

After some bloody confrontations, the dictatorship occupied the universities, purging them of any leftist elements, whether students, professors, or administrative employees. The universities were reorga-

nized in the image of the dictatorship. Members of the FSB and the MNR whose only qualifications were their party cards took over the university chairs and the administrative posts. They were also named to the student leaderships. The universities were converted into nests of police agents and "fascist commandos."

But the victorious struggle to regain control of the trade-union organizations, especially the miners union, spread to the universities. The struggle was launched against the Falangist and MNR rectors appointed by the dictatorship. The University of La Paz was the most combative center of this struggle; it was there that the first success was achieved. In the course of this struggle student leaderships emerged out of the rank and file and developed parallel to the leadership bodies appointed by the government. Rank and File Committees were created in all the departments. Later, an Interdepartmental Committee was formed representing the entire university. The official leadership was overturned and the rank-and-file bodies became the university representative. It is these bodies that are now leading the struggle to recover the gains that had been won before the 1971 coup: co-management; free department heads; selection of department heads through an examination testing competence, with juries having student participation; etc. The student struggle has not yet attained the same level throughout the country. It is going forward everywhere, but there are sectors in which the dictatorship and the parties that support it are still strong and retain the initiative.

In action parallel to the university mobilization, the high-schoolers ceased to recognize the leaders appointed by the dictatorship and created their own rank-and-file leaderships, allying themselves with the action of the university students.

This struggle of workers, students, and high-schoolers stimulated the struggle of the professors. In the major cities the professors also got together and organized rank-and-file committees. In La Paz, Cochabamba, Sucre, and Tupiza these committees included the majority of the professors right from the beginning.

These committees demanded that the government lift its control over their trade-union organizations as well as the national federation and the departmental federations of the urban teachers organizations. They demanded the restitution of their local offices and affirmed their right to form their own leaderships through free and democratic elections. After the dictatorship's negative response, struggles broke out in Cochabamba and La Paz. In this sector, unlike in the workers movement, the dictatorship can count on the support of an active antileftist

minority that has served all governments through its police-like conduct.

The rank-and-file committees in Cochabamba obtained authorization to call elections, but when it came time for them to be held, the dictatorship's candidates seemed sure to go down in defeat. Small reactionary minorities supported by the police attacked the voting locations. The teachers of Cochabamba were terrified.

In La Paz elections convoked by the Rank and File Committee without government authorization were also attacked. Several professors were arrested. The teachers of La Paz went on strike in response to this attack, thus showing that the government's supporters in this area were very insignificant. The strike paralyzed the schools and colleges. All the dictatorship's maneuvers and threats against the strikers failed; the strike asserted its strength more surely every day, spreading to other cities and gaining the support of white-collar workers, blue-collar workers, and students.

The strike of the La Paz professors was an expression of the struggle of the masses to recover their trade-union rights and their right to elect their leaderships democratically, without government intervention or control. The strike was also a test of strength between the masses and the dictatorship, a test the government came out of in a very bad position. The decision to close down the educational system has not ended the confrontation to the benefit of the government; it has simply postponed it to the first months of next year.

There were a number of interesting features to the professors' conflict with the government. After the decree closing the schools, the Rank and File Committee organized an Assembly, which decided to reopen courses through the end of the school year and set a date for further action by the professors and the students by declaring that the struggle for their demands would be taken up again at the beginning of 1975. This resolution was greeted with a great deal of sympathy among many sectors of the population. The government intervened to prevent courses from starting up again and arrested some professors and students, provoking some uneasiness even in the ranks of its own supporters.

The struggle of the professors stimulated the development of contradictions within the regime and allowed the unity, combativity, and politicization of the masses to go forward. In the struggles to come the revolutionary leadership will have to pay special attention to raising the level of the softest sectors, the most conservative layers among the professors and the workers movement. It will also have to pay

more attention to work in the countryside, in order to give organizational expression to the changes that have occurred among the peasantry. The re-emergence of the COB (Central Obrera Boliviana

— Bolivian Trade-Union Confederation) is indispensable if such general progress is to be made. □

La Paz, October 10.

FINLAND

workers "rock the boat"

by PEKKA HAAPAKOSKI

When the long-awaited free-trade accord between Finland and the European Common Market was finally signed in the autumn of 1973, the Finnish bourgeoisie heaved a sigh of relief. During the 1973 international boom investments in Finland had lagged behind the international average exactly because of uncertainty about this "economic solution." But hardly had the "golden age" opened when the black clouds of the "energy crisis" began to gather. For various structural reasons this crisis hit Finnish industry harder than most other industries in the West. The burden of increases in the cost of fuel was massive and the balance of payments worsened sharply. When the prospect of international recession began to loom on the horizon, the post-accord atmosphere of boom disappeared without a trace. The perspective for 1974 became not "progress and stability," but the double specter of unlimited inflation and economic stagnation, that is, "stagflation."

While the crisis as such was very real in Finland and made an absolutely watertight incomes policy more necessary than ever, the specific "energy" aspect (that is, the lack of fuel reserves) was more or less invented. But it was exactly this "energy" aspect that offered the bourgeoisie the necessary weapons to make the working class bear the burden of the crisis. So a tremendous campaign was started to create an atmosphere of "responsibility" and "national solidarity" among the working class. The battle cry of the center-Social Democratic government and the capitalists was: "No more mad springs, no more excessive wage demands; we all sit in the same boat, which the slightest rocking can sink." This campaign was continued in ever stronger forms during the winter of 1974. In March the Social Democratic majority bloc of the SAK (the central organization of trade unions) was ready to do its part in the cause of national solidarity: to sign the fifth general agreement on incomes policy.

It can be confidently asserted that even the employers were very much surprised by the results, so easily were all their main aims achieved. First of all, the agreement covered a period of two years. (The employers had for years tried in vain to push this through.) Second, the wage increases were so "responsible" -- a total of FMk. 1.30 per hour (about US\$0.33) during two years without any escalator clause -- was such that even the employers did not bother to complain about their "inflationary effects," the way they usually do. Some promises of "indirect income increases" were connected with the agreement so as to make the workers swallow this bitter pill. These included a pension reform (to be completely in effect in the year 2002), tax reductions (more or less fictitious), and some increases in welfare payments. Before the signing of the agreement the government talked loudly about "tight price and rent control," but hardly had the ink dried when the floodgates opened.

Of course, the process was not so simple as just signing the agreement. Many things happened before that. During the negotiations massive warning strikes were launched in the key industries, and when many unions were forced to organize membership votes, the results were rather clear. The construction workers voted 81% against, the workers of the chemical industries were 67% against, and the metalworkers 63% against. Also, many white-collar unions outside the SAK at first said "No" to the agreement. But the main organizers of the incomes policy agreement had decided that the dam would not be broken. And it was not broken -- at least at this stage. The Social Democratic controlled unions followed their usual practice, signing the agreement despite the big majorities of "no" votes. The CP-controlled unions followed a double tactic, first condemning the agreement and then signing it. The same policy was followed even by the only union controlled by the CP minority. The rebellious

white-collar unions were also disciplined in the end. The biggest strike of the spring -- the strike of television technicians -- was countered by a massive "national front" campaign by President Kekkonen aimed at the SAK leadership. A real lynch atmosphere was whipped up against the strikers by using the timing of the strike (during the world ice-hockey games in Helsinki) to accuse the workers of "ruining national prestige."

Once law and order had temporarily returned to the labor market, the floodgates of price increases were opened. The biggest of them were timed to occur during the summer. When the workers returned from their holidays, they found that the prices of most basic consumer goods had gone up 15-30 percent. The average rate of inflation in Finland during 1974 has remained on the same level as in the weakest links of European capitalism -- almost 18 percent. With the help of the fictitious "energy crisis" the workers had been cheated into "bearing their share of the burden." But the real crisis -- the stagflation -- continued to escalate, and with the approach of autumn the government began to worry about whether the workers would be so eager to continue carrying the burden. Also the "windfall profit" of the companies during the summer had been so provocative that it began to threaten the harmonious continuation of the incomes policy. So the government's problem at the beginning of autumn was not only to fight against stagflation but also to do it in a manner that would appear to make some concessions to the workers.

At the same time, the government's unity also began to become rather strained; basically there were as many alternative courses inside the government as there were coalition partners. The main contradiction was between the Social Democrats -- who supported more "planned" capitalism, active state-financed investments, and some nominal "compensation to the consumers" -- and the bourgeois coalition partners, who stressed the traditional "self-regulation" of the economy and hard measures to "limit consumption."

After many quarrels, a compromise was reached inside the government. Measures were taken to institute a nominal (and later repayable) tax on some exporting industries and to abolish the sales tax on some basic foodstuffs for some months (which temporarily reduced the prices of these articles by about 5% after increases of about 15-30% during the summer). A law was promised that would make possible a reduction of rents. At the same time, a plan was presented to introduce a West German-type participatory "industrial democracy" in Finland. Finally, the government presented "a savings budget," which in a carefully selected way attacked the weakest and most helpless social groups by re-

ducing financial support to them. The budget also included an "investment fund" to stimulate the companies by credits financed with taxes.

What has been the effect of all these "sanitary measures"? Certainly they have not solved or even temporarily relieved the economic crisis; most likely nobody even expected that. Nor have they stopped the social polarization. On the contrary, the government is increasingly suspended in mid-air, as no social forces are content with its policies. Big capital gained quite a lot of self-reliance during the spring; in the summer it created a national coordinating organization that is on the road to creating a political reorganization of the right and a massive pressure group for "free enterprise." It is increasingly clear that important sectors of Finnish capital no longer believe in the effectiveness of the present governmental coalition. They want to create a new political tool. In the meantime they will accept from the present government only those measures that serve their interests unconditionally. There is thus increasing sabotage in parliament of the government's policy of "pouring oil on troubled waters." The latest example of this was the parliamentary right's veto of the bill on rent reductions.

Even worse from the viewpoint of the government is that the springtime apathy of the working class has definitively disappeared. The token price reductions did not have any real effect. It is already very clear that the Finnish workers are preparing for battles that can make the winter of 1974-75 even hotter than the "mad springs" of 1971 and 1973.

The first skirmishes of the workers counteroffensive occurred in early September when a wave of local strikes broke out in key industries. In most cases these strikes took place at the strategic points of the most important industries. They had the dual aim of winning local wage increases and demanding that the SAK dump the spring agreement. The strikes were led mainly by militants of both wings of the Finnish Communist party or even by "non-party militants," but the CP majority seemed to have an unofficial leading role in them. In general the strikes were rather well coordinated -- the "rolling strike" was used very effectively, for example.

Besides these strikes there were also workers demonstrations against the agreement in the biggest cities during September. An interesting aspect of the autumn strikes has been the strikes in some state-owned corporations against alleged projects of cooperation with the Chilean junta. These battles clearly prove that there is a rather broad readiness to fight on issues not directly connected with "bread and butter" demands; this augurs well for the coming struggles during winter. Because of the hardened attitude of

the SAK leadership toward wildcat strikes and that of the employers organizations toward local wage increases, the climax of the struggles will probably be reached in the first months of 1975, just before the date of the possible renegotiation of the terms of agreement. The most probable variant is that many unions, especially the CP-controlled ones, will move to an all-out struggle, which may even approach the scale of a general strike. While the result of these struggles is dependent not only on the militancy of the workers but even more on the character and strategy of the leadership, it is very important to present propagandistically the alternative strategy of the revolutionary Marxists, however little weight it might have immediately because of the extremely unfavorable relationship of forces.

The leadership of the winter struggles will be mainly the trade-union wing of the CP majority (which the minority has in vain tried to bypass by demanding half a mark more). Its main demands will be wage increases in proportion to the price increases reported by the official indexes, one-year agreements with the right to end the agreement early in case of excessive price increases, and membership votes on all agreements. This program, which the union leaders of the CP systematically present as the alternative to the incomes-policy line of the Social Democracy, neither takes up the objective needs of the workers nor offers them any means of achieving their goals.

As for wages policy, the CP line simply creates illusions about the possibility of a "workers" incomes policy. The only correct demand is "No incomes policy under capitalism! Break all the ties of incomes policy with struggle!" Instead of merely defending real wages, a struggle must be launched to win increases above the magic point of "increase of productivity" -- increases that really expand labor's part of the value created. No right to end the agreement early is sufficient to prevent the losses caused by price increases. Every agreement must include a clause of sliding scale of wages! Workers must not trust official "price controls" but must create their own bodies that control the prices and compile the real indexes. Instead of every

union fighting for itself, a united front must be built between strong and weak unions, and this front must raise the demand of equal increases for all workers independently of their industry and equal wages for women! Only real solidarity among all workers can bring results.

In view of the growing threat of recession, a central issue in the coming struggles will also be the struggle against factory closings and layoffs. The capitalists must be made to pay for their own crisis. If there is no work at all, the workdays must be shortened without any loss of pay and the work must be shared among all workers with no layoffs! No secret cooperation with the Chilean butchers: workers must demand the opening of the books of suspected corporations!

A decisive factor for the success of the strikes will be their organization. A mere membership vote is not sufficient to guarantee democracy in the unions. The leadership must be controlled by the rank and file on every level. Down with the bureaucracy in the unions! While the bureaucracy will remain for a long time to come, it is absolutely necessary to organize even outside the union structures. On the local level democratically-elected strike committees must be established and they must be under the control of general meetings of the strikers!

Any sort of revenge after the strike must be prevented beforehand. Demand an absolute commitment not to use blacklists or trials by "labor courts" against the strikers! Set up a control body to see that they are not used! The right to strike must be unlimited!

Every maneuver aimed at making the workers responsible for the profitability of capitalist enterprises by offering "participation" is nothing but a cheap trick! The workers do not want to become "part-capitalists." Against the "participation" we call for control by the workers over the enterprises, control won by their own struggle. For the right of workers to impose their own decisions on the capitalists and to prevent them from taking measures not agreed to by the workers!

soldiers mobilize—



against officers

The leadership of the "neutral" Swedish army is running into trouble on the home front. On October 23, some 1,000 soldiers stationed in Umea assembled on base in protest against their conditions. A few days later, 850 soldiers marched in protest actions throughout the city of Karlskrona, and on October 30 demonstrations were held in two other cities. The soldiers in Umea demanded higher pay, a lump sum bonus of 1,000 kronor after ten months of military service, and the right to hold meetings on base with no officers present. In Karlskrona the soldiers also demanded guaranteed employment after discharge from the military. The soldiers base their demand for the 1,000-kronor bonus on the expectation that many of them will be unemployed for a certain time after they finish their service.

There was a quick reaction from the army leadership and the state apparatus, as could have been expected. Movements within the pillar of the bourgeois state are not the sort of thing that the bourgeoisie takes lightly. On October 31 the police raided the Red Room, bookshop of the revolutionary Marxists, and confiscated all the copies of Red Soldier, a journal distributed by revolutionary Marxists together with other revolutionaries. The excuse for the raid was the charge that the paper was stirring up trouble because copies had been distributed

on base in Umea urging continuation of the struggle by mass turnouts at the base hospital for sick call. (The exact charge was inciting to insubordination.) All the barracks were searched; but only twenty copies of Red Soldier were found of a total of 800 that had been distributed. Finally, one militant was taken into custody and subjected to an old-time, light-in-the-face interrogation.

Such repressive action did not at all curb the soldiers' will to fight. On November 5, some 1,100 soldiers of the base in Umea once again demonstrated on base against the repression. The proposals from the Red Soldier were adopted. All 1,100 collectively went to the base hospital on sick call. The doctors were not allowed to reject them; each soldier had to be examined individually.

The movement among the soldiers is now taking hold on every base in the country. To the soldiers, it is absolutely self-evident that they must be given a lump sum upon discharge to enable them to live normally while looking for work. More actions are expected, and it can be anticipated that they will be broadened to include a struggle against repression and the lack of democratic rights for soldiers within the army. □

THREE PST MILITANTS MURDERED

Three members of the Argentine Partido Socialista de los Trabajadores (PST — Socialist Workers party), a sympathizing organization of the Fourth International, were murdered over the weekend of November 1-2 by fascist killers of the Alianza Anticomunista Argentina (AAA — Argentine Anti-Communist Alliance). The murders came just one week after a number of armed attacks on PST headquarters in several cities. Then, on November 6, the federal police took over the job for the fascists, occupying the Buenos Aires headquarters of the PST and arresting at least five comrades.

The police occupation in Buenos Aires came one day after the Peronist government declared a "state of siege" under which searches and arrests are allowed without warrants, the right of habeus corpus is withdrawn, and the president is granted the power to order arrests at will and ban all political rallies. A state of siege had been in effect from mid-1969 until May 23, 1973, just two days before Hector Cámpora's inauguration as president. Now, less than a year and a half after taking over the reins of government, the Peronist regime has reinstated one of the "exceptional" measures of the hated military dictatorship.

The murder of the PST comrades was part of a wave of assassinations committed by the AAA in the past few months with the clear tolerance and complicity of the regime. The manner in which the murders were carried out makes this obvious. On the night of November 1, Rubén Bouzas, a 20-year-old secondary-school student who had been a member of the PST for a year and a half, was taken from his home in a Buenos Aires suburb by a group of men posing as policemen. The following morning his body was found. He had been killed by shotgun blasts. On the same night, Juan Carlos Nieves, a 26-year-old worker militant at the Nestlé factory and a member of the PST for several months, was taken from his home by a group of armed men. Several hours later he was found dead, also the victim of shotgun blasts.

On the night of November 3 César Robles, a 36-year-old member of the PST's National Executive Committee, stopped at an ice-cream parlor in Buenos Aires after the national convention of the PST. He was kidnapped from there by an armed gang. Two hours later his body was found riddled with machine-gun bullets. Robles, a leader of the dock workers strike during the Onganía dictatorship, was the PST's organizer in northern Greater

Buenos Aires and one of the most prominent members of the party.

The PST had also been the target of police and fascist attacks on October 22 and 23. On the night of October 22 twenty armed men broke into the home of a PST member in the Merlo district of Buenos Aires. The comrade was not at home. But three of his brothers (all construction workers and not involved in politics) and his mother were. The three brothers were so badly beaten that they were unrecognizable even by members of their own family. On the same day, thirty armed men riding in two minibuses that were part of the cortège of the governor of Chivilcoy (Buenos Aires province) in an official parade broke off from the march and attacked the local PST headquarters. On October 23 at 5:00 a.m. the PST national headquarters in Buenos Aires was attacked by a fascist gang. Some hand grenades were thrown and a burst of machine-gun fire struck the metal grating on the front window of the party bookstore.

Isabel Perón's declaration of a state of siege was allegedly aimed at ending violence of the left and the right. But the real intent of the state of siege is to crush the militant class-struggle wing of the Argentine workers movement, the only solution open to the Argentine bourgeoisie and its government. There is no doubt that the right-wing terrorists will not suffer from the state of siege, but will simply be given greater freedom of action under a police cover. The November 7 occupation of the PST headquarters is an initial confirmation of this. The bourgeoisie's attack will not spare any militant section of the working-class movement. The workers must respond to it in the only effective way: the organization of the broadest armed self-defense, which has now become a necessary component of every aspect of the working-class struggle. The class battles now looming in Argentina will be decided in the streets, neighborhoods, and factories, and not in the courts or the parliament building. The example of Chile is there as proof. The workers movement throughout the world must organize solidarity with the victims of the fascist violence in Argentina and with the struggle of the Argentine workers movement for the socialist revolution.

**SOLIDARITY WITH THE PST AND ALL VICTIMS
OF THE FASCIST TERROR!**

**ANSWER THE FASCIST GANGSTERS AND THE
GOVERNMENT THAT SUPPORTS THEM WITH
ARMED SELF-DEFENSE!**