international press correspondence

#### fortnightly, No. 26, may 22, 1975

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TO EL COMITE DE HA RESUELVE:

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LIBERTAD A TODOS LOS DETENIDOS! **DEVOLUCION INMEDIATA DEL SINDICATO!** 

Nuestra Bandera de Lucha Está en la Cárcel. Firmes y Unidos Hasta la Victoria Final

> COMITE DE LUCHA DE LOS OBREROS METALURGICOS DE VILLA CONSTITUCION

permanent revolution in vietnam

# N°26 May 22, 1975



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## the next issue (no. 27/28, june 5) will be devoted to the world economic situation (64 pgs.)

It will be the second of our twice-yearly special issues on the international economy. (The first, "The Generalized Recession of the International Capitalist Economy," was our January 16, 1975, issue, No. 16/17.)

The issue, edited by Ernest Mandel, will include, in addition to an article on the general state of the world economy, analyses on the United States, Spain, France, Italy, Africa, raw materials, and other subjects.

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## permanent revolution in vietnam

In South Vietnam, as in Cambodia, a national liberation struggle has just triumphed. It took the mobilization of a whole population to defeat an enemy that was infinitely stronger materially. But the Vietnamese and Cambodian who rose up in the anti-American resistance was also a peasant, a worker, an intellectual. To confront the imperialist aggression the struggle became a "people's war," and thus a "class war." National liberation and social revolution were tightly linked in Indo-

It is in the countryside, where nearly 90 percent of the population lived when the war started and where the liberated zones were located, that the social transformations carried out during the struggle have been most profound. It is very difficult today to draw up an overall picture of the agrarian question in South Vietnam, because the situation varies from region to region. Nevertheless, the economic, social, and political scope of the reform carried out can be indicated. To do this we must go back to the conditions of the peasant uprisings of the years 1958-60.

The South of Vietnam (Nam Bo) was dominated by large landed property. Before the revolution of August 1945 some 80% of the land in that region was rented to sharecroppers who had to give 50% of their harvest to the landlords. In central Vietnam (Trung Bo), property ownership was more diversified, with smaller plots, but the exploitation of the landless

#### by PIERRE ROUSSET

peasants (30% of the total) and the poor peasants (those owning less than half a hectare, 65% of the total) was ferocious. In 1954 the Vietminh carried out an important agrarian reform in the liberated zones: 650,000 hectares of landed property was distributed (out of a total of 2.3 million hectares), as was the communal land. Rent was reduced to 10to 15% of what it had been. Working peasants dislodged the influence of the notables in the villages and much new land was brought under cultivation.

In 1955-56 and 1956-58, Ngo Dinh Diem, placed in power by the French and the Americans, launched china. The future of this revolutionary process was not inevitably socialism. This fact is particularly underlined by the case of Algeria, which also went through this dynamic but did not overturn capitalist relations of production. But an analysis of the social overturns that have already taken place or are now taking place in Vietnam, like the political measures taken by the PRG, highlights the fact that the revolution is now growing over into socialism.

his "agrarian reform" and tried to take back the gains of the first resistance. "For the South Vietnamese peasants, the U.S.-Diem regime meant the return of the old hated regime, which was threatening the land." (Vu Can, Etudes vietnamiennes, No.18-19, p.17, Editions Hanoi, 1968.) This agrarian policy, "counterrevolutionary" in the strictest sense of the term, provoked the first uprisings in the villages. The second resistance began in the villages as a class struggle against the return of the landlords. The land was to remain permanently at stake in the American war and the revolutionary war.

By the end of 1965 the National Liberation Front had distributed J, 650,000 hectares of cultivated land. In the liberated zones the rent for land fell to 5% of its former rate. By the end of 1968 more than 2 million hectares had been distributed, that is, 80% of the cultivated land.\*

This distribution continued after the Paris accords, 155, 260 hectares in 1973. "Almost all the landlords fled to the cities when the NLF distributed the land, and the liquidation of the feudal proprietors as a class . . . was an accomplished fact. The reaction-

\*Before the revolution of August 1945 landed property was divided as follows (in millions of hectares): land owned by local landlords, French colons, and religious communities: 2.3; communal lands: 0.255; lands belonging to peasants: 1 (that is, 28.6% of the total). The total was 3.5 million hectares, of which 3 million were in Nam Bo (formerly French Cochinchine), Trung Bo (central Vietnam) being mountainous. The area under cultivation varied considerably, particularly because of the war and the agrarian reforms. (Source: Nguyen Xuan Lai, Courrier du Vietnam, March 1975, p.24.)



the current process of reunification manifests the socialist growing-over

### HANOI...

ary rural administration was dislodged." (Nguyen Xuan Lai, Le Courrier du Vietnam, March 1975, pp. 24–25.)

American imperialism rapidly understood the danger that these reforms represented for its domination. It decided to promote an agrarian "counterpolicy." At the Midway conference in Guam in June 1969 Thieu stated: "Agrarian reform constitutes the central task of the state; the existence of the nation depends on it." The essential objective of Thieu's agrarian reform was the formation of a "new layer of peasants - rich peasants - (which was supposed to serve) as a social base . . . for the regime." (Ibid., p. 26.) Of course, the reform officially limited the amount of land that could be owned, but nonetheless it was a windfall for the large proprietors. In fact, "nearly all of them lived in the cities under the protection of the army, their lands having been expropriated during the NLF's agrarian reform." (Ibid., p. 27.) Thus, for land that they no longer possessed they received a sale price and compensation that was supposed to enable them to integrate themselves more tightly than previously into the Saigon comprador bourgeoisie. The regime favored its own flunkeys, given them lands reconquered from the peasants and thus seeking to transform them into capitalist peasants.

This South Vietnam style "green revolution" was stymied by the efforts of the PRG and by the economic crisis that shook the zones under puppet control after January 1973. (See INPRECOR, No.0, May 9, 1974.)

Of course, the socialization of agriculture carried out during 1956-59 in the North did not take place throughout South Vietnam. But an agrarian reform must be judged by its social and political consequences: The peasant uprising liquidated a former ruling class, the large landed proprietors. Then it defeated an agrarian policy that was aimed at introducing capitalism in agriculture by basing itself on the formation of a class of capitalist peasants. To do this the working peasant had to set up a revolutionary administration in the villages and initiate a process of collectivization of labor: the formation of "mutual aid teams," of "production groups," etc.; planting, hydraulic works, and some lands were made collective property or organized into cooperatives.

After 1954, the South Vietnamese revolution deepened and broadened the measures that had been preludes to the socialization of agriculture in the North. It is only the radical character of this agrarian reform that explains how the Vietnamese peasants were able to remain on their land in spite of the bombing and burning, how they were able (with the aid of Cambodia and the Democratic Republic of Vietnam) to feed the NLF, how in spite of the terrible devastation caused by the U.S. escalation, the liberated zones were producing a surplus of rice one year after the signing of the Paris accords of 1973!

## of the revolution in south vietnam



#### The urban revolution

Imperialism succeeded in maintaining its domination of the major cities of South Vietnam right up to the end. The urban revolution was consequently saddled with a deep lag in comparison with the revolution that was going on in the liberated countryside. But the liberation of the cities has suddenly turned that situation around. As a corollary, a twofold process has developed: the collapse of the bourgeois regime and the emergence of the urban revolutionary movement.

The scope of the collapse of the Vietnamese bourgeoisie corresponded to its organic weakness. French colonialism had blocked the formation of a real, strong national bourgeoisie. American imperialism did not invest in and industrialize the country; French capital remained dominant. The economy of the Saigon regime manifested its imbalance immediately after the signing of the Paris accords: Crisis broke out. The Vietnamese bourgeoisie had remained essentially comprador; very often it was a lumpen-bourgeoisie living on corruption, trafficking, smuggling, and the privileges of the American war. The extent of the "profits" thus realized was enormous. According to Tristan Sarong: "Last year the chief of Tay Ninh province had to pay the tidy sum of 100 million plasters a month (about US\$150, -000) to the chief of the Military Region III, which includes nine provinces, in order to keep his post. That offers a glimpse of the 'parallel economy.' . . . " (Le Monde, April 9, 1975.) The weight of

### ... DA NANG

the small and middle-sized companies controlled by Vietnamese capital pales in face of such figures!

The loss of landed property had accentuated the dependent character of the Saigonese economy. With the destruction of the puppet military and administrative apparatus and the collapse of the neocolonial domination, the Vietnamese bourgeoisie lost not only its instruments of power, but also the bulk of its means of accumulating capital.

This sudden uprooting of the bourgeoisie was all the more radical in that the liberation of the cities of South Vietnam was not limited to military conquest. Deep social divisions appeared before, during, and after this liberation, which was an extension of the previous years of urban struggle.

Let us take the example of Da Nang, the city with the second-largest population. Two days before its liberation, a New York Times reporter described the situation in these terms: "Those who most fear the approaching Communists are those who are here at the airport. They are the families of army officers, businessmen and the most prosperous merchants, Roman Catholics from North Vietnam who came south in 1954. . . The majority of the rest of the population seems content to stay. . . . The city food market is functioning normally. . . . The poor seem to intend to keep on living as usual, regardless of the imminent arrival of the Communists." (International Herald Tribune, March 28, 1975.) What emerges from this description is the class

#### VIETNAM

character of the American war and of the Vietnamese resistance.

Giai Phong, the NLF press service, described the stages in the liberation of Da Nang this way: "Just before the liberation nearly 5,000 of Thieu's soldiers at the Hoa Cam training center mutinied and went over to the side of the revolution. . . . On the eve of March 29 the self-defense forces and the population of several neighborhoods rose up. The next day, the day of the total liberation of the city, thousands of inhabitants sacked the American consulate. The people had hung up the red and blue flags of the NLF. The major arteries of the city were filled with an extraordinarily dense crowd: It was the forced refugees returning to their homes." (Giai Phong, quoted by the French daily Libération, April 3, 1975.) Likewise, in Saigon: "Side by side with what the radio calls the 'regular units of the liberation army' there are 'local armed forces,' that is, the forces of the clandestine networks who have come out of the shadows, without any well-defined uniform. There are women among them." (Jean de la Guérivière, Le Monde, May 13, 1975.)

Decomposition of the puppet apparatus; mutinies and defections from the Saigon army; advances of the forces of the PRG; clandestine urban military actions; popular insurrectional movements; mass demonstrations; return of the refugees driven from their homes by the fighting. Those were the things that liberated the second-largest city of South Vietnam. The new administration grows out of revolutionary action, and not primarily military action. Since then, a twofold process has occurred: the systematic destruction of the former neocolonial state apparatus and the takeover of services, factories, and urban life by the PRG, workers committees, and mass organizations.

The first of the PRG's "ten commandments," issued just before the liberation of Saigon, stipulated: "The old system, its laws and regulations, shall be abolished; the reactionary parties and other political organizations in the service of imperialism and the puppets shall be dissolved." (Le Figaro, April 5-6, 1975.) This "commandment" was applied consistently; the end of the Saigon regime confirms, if any confirmation was needed, the determination of the PRG not to leave any doubt on this question. The ultimate rejection of any negotiations, even formal negotiations, and the takeover of the presidential palace by the tanks of the Liberation Army illustrate this decision, as does the manner in which the North Vietnamese press reported the surrender of General Minh: "While awaiting the arrival of an official representative of the revolutionary regime, Minh said to one of our officers, 'We have been waiting for you since this morning for the ceremony of transition.' The officer replied, 'The to-.

tality of power, from top to bottom, is in the hands of the revolution, which has won it through its offensives and uprisings. The army and administration have collapsed completely. You cannot transfer power that has slipped out of your hands. You have to surrender.'" (From Quan Doi Nhan Dan, quoted by Le Monde, May 4-5, 1975.)

"Military administrative committees" were provisionally set up to manage the big cities while awaiting the formation of "revolutionary people's committees" in the neighborhoods and urban sectors.

The PRG has taken control of social services and has seized the goods of "enemies" (the U.S. government) and puppets. "The means of production are the property of the people, " declared radio Giai Phong (Liberation). It does not appear that nationalization measures properly so called have been taken, and foreigners have been invited to remain, provided that they "respect the new revolutionary laws and customs of the country." But the banks were closed to prevent a flight of capital and many factories abandoned by fleeing owners have been taken over and have begun working again under the control of the workers. A film made by Roger Pic in Da Nang about a month after its liberation depicted a meeting of men and women workers assembled at the call of the PRG; a "workers committee" was set up to control the operation of the factory and the functioning of the technicians, with the aid of cadres of the PRG.

It is clearly a general process of workers control that is now going on in the cities of South Vietnam. The student and worker urban militias are protecting services and factories against possible sabotage. The administration of the hospitals has been overturned; the disinherited are now treated free; the poor pay only for food and the rich pay for everything. The new cadres of the revolutionary administration, whether in the villages or the neighborhoods, are inhabitants of the local area who are now emerging from clandestinity or from the guerrilla areas. Le Figaro reported that real mass popular tribunals had been held to publicly try looters. (May 12, 1975.)

Saigon is rediscovering its national identity, which American imperialism had tried to destroy and corrupt. The "pleasure houses" have been closed down. The city has been cleaned. The style of clothes is changing. On this subject the new daily Sai Gon Giai Phong (Saigon Liberation) wrote: "Color of clothes, length of hair, and thickness of nail polish are matters of individual choice. Nevertheless, we live in a liberated city. We must get rid of all vestiges of American imperialism, of everything . . . that has made us an uprooted people." (Le Monde, May 13, 1975.) In the Roger Pic film an NLF cadre tells students that "it is better to have bell-bottomed trousers than narrow ideas."

#### National concord?

In spite of the upheavals, the PRG continues to talk about "national concord." One of the PRG's representatives in Paris explained it to us this way during an imprompty meeting held with militants of the international solidarity movement on the day of the liberation of Saigon: There are several million people who collaborated with the American undertaking in one form or another - in the puppet army, the Saigon administration, in the Catholic communities and the anticommunist religious sects. "Vengeance is a very human sentiment," but "hunting down the collaborators" would threaten to divide the population dangerously. "Through their sufferings and struggles the Vietnamese people have acquired a political maturity such that we can make them understand that reprisals would inevitably create new divisions among us, and thus would play into the enemy's hands. That is why we are sure that we will be in position to promote a real policy of national reconciliation. But if the ex-collaborators of the puppet regime continue to do evil after receiving the pardon of our people, then they will be punished."

Of course, the Vietnamese revolutionaries' constant theme of national concord poses a basic problem, that of the political nature of the regime that is born of the social revolution. In the DRV, for example, it served to maintain bourgeois parties in the Front of the Fatherland — parties that voted in good order for socialization!

In a general manner, this theme illustrates a programmatic adaptation by the Vietnamese Communist party to the political heritage of the Stalinized Third International of the 1930s, to the economic backwardness of Indochina (aggravated by the war damages), and to the consequent bureaucratic deformations of the North Vietnamese workers state. It continues to limit the conception that the Vietnamese CP has of the place in the workers state of structures of the Soviet type.

But the policy of the PRG testifies to the fact that "national concord" is not aimed at constituting a new bourgeois state in South Vietnam. The denunciation of the urban rightist Catholic opposition in the past (see INPRECOR, No.10, October 17, 1974, and No. 18, January 31, 1975), the refusal to negotiate the surrender of General Minh and his regime, and the destruction of the neocolonial state today all indicate this.

A differentiated policy has been adopted with respect to the old puppet army. Rank-and-file soldiers

were immediately set free after their surrender. Officers were sometimes sent to "reeducation camps," as in Da Nang. Rightist "personalities" may perhaps be associated with the revolutionary government at some point. But all the essential new posts (such as the leadership of the urban militias) have been given to tested cadres, and especially to former political prisoners, among whom are the best of the surviving cadres of the urban movement. The leading role of the Communist party had always been stressed in the documents of the North, Now, for the first time, it has been solemnly reaffirmed by the PRG - during the victory meeting in Saigon in which more than a million people participated. General Tran Van Tra (who is said to have been a member of the CP since 1940) recalled the past struggle of the people of Saigon before and "after the founding of our party, during the forty years of the history of our party, of the great revolutionary movements conducted under the leadership of the party." (Quoted by the French CP daily I'Humanité, May 8, 1975.) And one of the twelve slogans of the victory celebration planned for May 15-17 throughout the country is "Long live Marxism-Leninism!"

#### From the North to the South!

But it is the process of reunification of Vietnam now underway that most clearly indicates the nature of the current revolutionary process. "The socialist revolution in the North is providing the historic orientation of the national and democratic revolution in the South," declared DRV Prime Minister Pham Van Dong in December 1972 on the eve of the signing of the Paris accords. (La Nouvelle Critique, journal of the French CP, No.59.) Yesterday, the unity of Vietnam was asserted in struggle; today it is being confirmed in victory. General Tran Van Tra, president of the administrative committee of Saigon, affirmed on May 15: "We warmly salute this day, which marks the great reunion of our people. The division of the country no longer exists."

DRV aid to the South took on a new character after the liberation of the cities of central Vietnam. "Everything for the South! That is the new slogan in North Vietnam," wrote the French journalist Jacques Decornoy. "People in Hanoi had come to hear some singers. 'Amateurs,' commented one Vietnamese. And he added, 'And for good reason. All the professional troupes have gone South.' Hanoi is being emptied of functionaries, professors, doctors, and various sorts of administrators." (Le Monde, April 26, 1975.) In time, the dong, the North Vietnamese currency, will even become the strong currency in the South, while earlier the PRG

#### VIETNAM

preferred to maintain the piaster. "The DRV has literally been bled white in the space of a month," the Agence France-Presse correspondent further noted. "With these precipitous departures, the North Vietnamese administration is no longer but a shadow of its former self.... The major effort will be made on the economic level.... Nearly everywhere, industrial complexes and small production units are affirming their solidarity with the South and their readiness to aid it." (Le Monde, May 9, 1975.)

Of course, the process of reunification will take time to complete. It requires political and social harmonization. But it is now under way. And a cadre of the North told Decornoy that it was necessary "not to think in terms of individual psychotherapy. It is not a question of taking one by one the cases of people in the South who lived for a long time in the American orbit and were influenced by this type of life. What counts is the general revolutionary spirit that these people have." (Le Monde, April 25, 1975.)

At the same time, the North is seeing its own political regime influenced by the success of the revolution in the South: "Thus, hints of a desire to liberalize the North are beginning to be discernible in daily life... The aim is to put the two Vietnams on the same wavelength.... The leaders of the revolution are going to have to take account of the aspirations of all those, North and South, who have made a big effort for the war." (AFP correspondent, Le Monde, May 9, 1975.)

Of course, the bureaucratic deformations of the Vietnamese revolution are too deeply rooted in the objective situation, and the programmatic adaptation of the Vietnamese CP to this objective situation is too deep to disappear so easily. But the current process of reunification manifests the present actuality of the socialist growing-over of the revolution in South Vietnam as well as the dynamism of the revolutionary process throughout the country!

#### United socialist Vietnam!

The agrarian reform in South Vietnam was one of the most radical — if not the most radical — ever carried out in the course of a national liberation struggle. The struggle to win control of the cities and to break imperialist domination was one of the harshest ever. Nevertheless, the socialization of the economy has not yet been achieved. Behind this apparent paradox lies the confirmation of the essential theses of the permanent revolution defended for many decades by Trotskyist militants against Stalinist deformations of Marxism. The revolution in Vietnam, a rural and colonial country, began in the name of tasks that had long since been resolved in West Europe and North America by the bourgeois-democratic revolution: agrarian reform and national independence.

But "placed before the alternative 'lose your rice' or 'lose your fatherland, ' the majority of the landed proprietors opted for the latter." (Nguyen Khac Vien, Expériences vietnamiennes, p.87.) But the Vietnamese bourgeoisie was "economically weak and politically reformist and conciliatory toward imperialism. That is why (it) could not lead a national democratic revolution." (Le Duan, Sur Quelques Problèmes Internationaux Actuels, Editions Hanoi, 1964, p.70.) "The revolution of national liberation, although national and democratic in its content, no longer falls within the framework of the bourgeois revolution, but becomes an integral part of the proletarian revolution and of the dictatorship of the proletariat on a world scale." (Le Duan, En avant sous le Glorieux Drapeau de la Révolution d'Octobre, Hanoi, 1970, pp.25-26.)

In the epoch of imperialism, only the proletariat can really take up the slogans of "national independence" and "agrarian reform"; but in so doing, it lays the basis for the foundation of a workers state and commits itself to the socialist growingover of the revolution.

That is what is happening in Vietnam today: There will be no bourgeois state and no new revolution between the liberation of Saigon and the reunification of a united and socialist Vietnam!

This convergence of the theses of the permanent revolution and the lessons of the Indochinese revolution — beyond the profound differences in origin and orientation that separate us from the Vietnamese Communists — is the most brilliant manifestation of the current march of the world socialist revolution.

The Laotian and Cambodian revolutions have followed their own paths. (See INPRECOR, No. 3, July 4, 1974, and No. 13, November 28, 1974.) But today they are engaged in the same process. The consolidation of the new South Vietnamese workers state, its complete reunification with the North, will surely pose new difficulties and problems. The modifications that this victory of the Indochinese revolution will bring in the world situation, especially in Southeast Asia, will be very deep. INPRECOR will return to these questions in coming issues.

But first of all, we must salute the victory of the first socialist revolution since Cuba!

May 13, 1975

#### ARGENTINA

## Villa Constitución:



## FORTY DAYS OF STRUGGLE AGAINST THE

## **«PEOPLE'S» GOVERNMENT**

#### by L.E. RASIN.

Since the death of Perón, the Argentine government has not found any means of controlling the situation except to sharpen the repression of the masses to the extreme. This repression, carried out by official bodies like the federal police and the armed forces, has been combined with repressive action by parallel police bodies like the Alianza Anticomunista Argentina (AAA – Argentine Anticommunist Alliance) and has escalated into the most sinister campaign of murders the country has ever known.

The wave of intimidation and terror that launched this process, combined with the declaration last November of a state of seige throughout the country, has gone through two successive phases. The first involved striking at important sectors of the revolutionary organizations, which have been severely hit, isolating workers struggles, which have been repressed by the government and the union bureaucracy, and intimidating sectors of the middle classes—intellectuals, members of the liberal professions, artists, etc.—who have been threatened by the AAA and have left the country by the dozens.

The second phase has been the reaction against the repression. Slowly and progressively, new workers struggles have continued to develop; they have recently been spurred on by the serious economic problems with which the government is confronted and have even stimulated confrontations among various sectors of the bourgeoisie, thus feeding the atmosphere of opposition and instability.

It was in this context that the Villa Constitución section of the Union Obrera Metaluraica (the metalworkers union) was able in December 1974 to be legally torn from the hands of the Peronist bureaucracy that had controlled it for four years. The union elections, overwhelmingly won by the classstruggle slate (in which several left groups participated in a united manner), constituted a real triumph. The government had granted the concession of allowing the elections to be held because it expected to win them, thanks to intimidation and its power. Moreover, in the event that it lost the elections, it hoped that the atmosphere of terror it had succeeded in creating would compel the victors to remain totally subordinated to the bureaucracy. But that is not the way it happened.

Not only did the class front triumph, but the content of its program was the expression of workers resistance to the repressive apparatus. Moreover, the triumph drew support from several small partial victories through which sectors of the workers vanguard on a national scale imposed their demands. This is what happened in the Propulsora Siderurgica and Metalurgica Santa Rosa factories.

After the burial of the Pacto Social, which was supposed to forcefully regulate wages and prices, inflation began to eat away at the incomes of the workers and a mute protest began to be felt in the factories, forcing the trade-union bureaucracy to demand the convocation of parity commissions (for collective labor contracts between the unions and the employers). The government was thus harassed by the most diverse social sectors: farmers, because of the absence of price supports; merchants and middle-sized industrialists, because of the lack of supplies and the policy of discriminatory fixed prices; and now, the trade-union bureaucracy, which wanted to sell its support to the government. The response was a turn toward an "opening," inviting the various opposition parties to discuss, organizing elections in the far-off province of Misiones in order to show concern for institutions, and, finally, accepting the convocation of the parity commissions.

Nevertheless, the "open" tone of the government proved to be doubly dangerous. The regime had to make more and more promises, and it feared that it would lose control of the situation. That is why, just at the moment when it was trying to present the best democratic facade (which was only the expression of its own weakness), it unleashed the repression in Tucumán, where a mountain company of the ERP (Ejercito Revolucionario del Pueblo – Revolutionary Army of the People) was operating, and began to dismantle the workers organizations in Ledesma, Jujuy, and Villa Constitución (attacking the metalworkers union).

#### The unexpected response

The ease with which the government attained its repressive objectives in Ledesma was due essentially to the organizational weakness of the young tradeunion leadership there and to the very low political level of the rank and file in this concentration of 15,000 workers. In Ledesma, we saw the total isolation of this region from the rest of the country. On the other hand, in Villa Constitución, a city in the southern part of the province of Santa Fe, where there are several steel factories producing about half the country's steel, mostly for the automobile industry and its derivatives, the response of the 8,000 workers was a surprise for the government. The regime's operation was launched on the night of March 20. Thousands of police, federal troops, and members of the "Puma" antiriot brigade of the subprefecture and the provinces assembled in the area, attacked the houses of more than fifty militants, attacked the headquarters of the union local (which had been recently recovered from the police), and brutally assaulted neighbors who had rushed to the aid of those arrested. Alberto Piccini, secretary of the union, was taken from his house and dragged by the hair fifty yards to the police cars; the same thing happened to most of the other union leaders. It was a night of terror, which ended with more than 200 assaults the following morning; in the five succeeding days there were a total of 500 arrests.

Since there had not been recent conflicts between the employers of the region and the workers of the four big factories (Acindar, Marathon, Metcon, and Vilber), the government was obliged to fabricate out of whole cloth a crude justification for the terror. The operation was said to have been aimed at "dismantling a terrorist conspiracy against heavy industry in the region." Of course, noboby believed the story of this plot, not even the metallurgy employers in the region. It is quite clear that the offensive against the workers was only a preventive blow, arranged with the prior agreement of the union bureaucracy, in order to prevent the concessions the government had been forced to grant (the parity commissions) from being used by the combative local union leaders to go beyond both the legal channels and the bureaucracy of the Ministry of Labor. The government feared (and now fears even more) that an embryo of a workers leadership could arise in Villa Constitución capable of waging a struggle for various demands on a national scale during the period when labor contracts are being discussed. That would have unpredictable consequences.

There was already a basis for this fear. The metalworkers of Villa Constitución had worked out a counter draft collective labor contract that put forward demands that the government would have had great difficulty granting without facing great consequences.

They asked for a 70 percent wage increase and a minimum salary of 400,000 pesos a month (which is twice the minimum wage set by the government). But they also asked for something more important: workers control over industrial health and security and, further, workers control over the work pace. In addition to these demands, they rejected the system of production bonuses, these bonuses being one of the most usual forms of exploitation.

The government feared that these objectives — difficult if not impossible to grant in Villa Constitución — would be taken up by broader sectors of the workers movement throughout the country. It feared that there would be a chain of struggles, as had occurred in previous years, and it thus preferred to launch a preventive attack. But the government failed to foresee all the consequences. The first reaction of the workers was to occupy the four big factories of the region, automatically halting production. After three days of hesitating, the government proceeded to dislodge the workers violently. But that triggered the longest and most active strike the Peronist government has yet faced. The new workers leaders were arrested, but they were immediately replaced by others, equally determined and effective. And although the repression continued to hit the new members of the Committee of Struggle, which was elected right at the beginning of the strike, new leaders arose out of the combative rank and file and fully assumed the functions of the arrested leaders. Four leaderships of the strugale were successively arrested, but nevertheless the Committee of Struggle continued to act clandestinely. This phenomenon, which has rarely been seen in the history of the workers struggle in Argentina, was undoubtedly the concrete expression of what the proletariat has learned from the repression it has suffered.

The government had not counted on this response. Still less had it counted on the Committee of Strugale's developing a clandestine leadership capable of directing the conflict and organizing support in the neighborhoods and the neighboring villages, as well as organizing street demonstrations and responses to the parapolice gangs that were intimidating the population. The government was taken completely by surprise. It tried to go further, unleashing a ferocious terrorist campaign against the leaders and militants who were supporting the Committee of Struggle. It organized seizures and murders and planted dozens of bombs in the houses of the most combative militants. But it had to confront a new level of unexpected response. The workers organized to defend the working-class neighborhoods with armed groups, which prevented the parapolice gangs from operating at night. Several armed clashes put an end to the aims of the terrorist intimidation.

The attempt to break the strike by getting the supervisory personnel and the workers of the region to go back to work was also a failure. There were not enough scabs, and the supervisory personnel were absolutely insufficient to keep the factories running.

During this time, solidarity committees were spreading throughout the major regions of the country. The workers of the Indiel y de Rigolleau factory in San Justo (Buenos Aires province) organized an assembly and street demonstration for their own demands and to support Villa Constitución. The assembly and demonstration were repressed by the police and the leaders were arrested. The workers responded with a week-long work stoppage in which the workers of the Martín Amatto factory also participated; it succeeded in winning the release of all the workers who had been imprisoned. To celebrate the triumph of the workers a truckload of food was sent to Villa Constitución. At Propulsora, another important steel plant in Buenos Aires, the workers began a work stoppage demanding wage increases and demonstrating their solidarity with Villa Constitución. The employer agreed to grant a higher than usual wage increase (130,000 pesos a month) provided the strike were stopped. Meeting in general assembly, the Propulsora workers agreed to accept the wage increase but decided to make an important contribution to the workers of Villa so that they could continue their strike. In Rosario in the San Lorenzo industrial zone assemblies and work stoppages took place in support of the Committee of Struggle, and a general demonstration was organized in Rosario in solidarity with the striking workers. In Córdoba the workers of Fiat Grandes Motores Diesel and of Thomson Ranco held assemblies and decided to stop work in support of Villa Constitución, demanding the release of the arrested leaders. For their part, the railway workers and workers of the Fraternidad (an organization including the railway machinists) in the city of Villa Constitución itself organized solidarity work stoppages; their leaders were also arrested and they fought to free them. During an assembly the postal workers decided not to distribute telegrams sent by the Ministry of Labor ordering the workers to go back to work. The whole population pitched in, and the merchants and small-scale producers in the region demonstrated their solidarity, sending funds and food to the Committee of Struggle. The parapolice gangs, acting under the direct instructions of the government, bombed one of the depots where food was being stored; but that only led to redoubled cooperation, and within three days all the food destroyed by the bomb had been replaced. It was put in more secure locations.

The Committee of Struggle received the support of many factories around the country, which sent all sorts of aid and demonstrated their solidarity through all the means at their command. On April 30 the strike reached its fortieth day. The government was no longer able to break it. That represented a magnificent triumph for the working class of the country, which through its own forces had repulsed the regime of terror and repression imposed by the "people's government." Neither the intimidation, nor the state of seige, nor the death threats, nor the tortures, nor the hundreds of attacks succeeded. Nothing could break the will to struggle of the workers of Villa Constitución. The government lost a test of strength which could constitute a real triumph for the working class, a test that by its duration alone broke the whole system of intimidation and terror that had been imposed.

For several days the government discussed and pretended to negotiate. Rocamora, minister of the interior, personally came to Villa Constitución to try

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to make the workers back down. The national tradeunion bureaucracy tried to stay away from the conflict; that is why it verbally requested the release of those leaders who had not been implicated in "subversive acts." The bureaucracy, more than any other force, fears the present events. The Villa Constitución section of the metalworkers union is the fourth-largest union in the country, and a brilliant triumph for the strike could have grave consequences. The clandestine organization of the rank and file and the formation of workers armed defense groups were new, more advanced developments. To this situation must be added the ever more aggressive public actions, for example, that of April 22, which ended with an armed confrontation with the police. Barricades were set up and the police were forced to withdraw to the stations. Had it not been for the torrential rain that broke out right in the middle of the clash, the consequences of the unleashed popular fury would have been incalculable. At the end of the day there were four dead and five police wounded. There was also an attempted revolt by prisoners in the police stations, and twenty journalists were arrested and forced to give up the films they had taken of the day's events. A new demonstration was set for May 1 to demand the release of the imprisoned trade unionists. This demonstration was prepared by the publication in the country's major daily newspapers of a wide-ranging program of struggle, drawn up at the request of the Committee of Struggle. The workers refused to back down, and their attitude grew more offensive every day.

There is no doubt that the activity of the left political organizations in the region was extremely important. The Committee of Struggle and the political organizations formed the basis of the organization of the struggle. The aspiration to extend solidarity struggles has been held back by the backward political situation. Villa Constitución can serve to turn this situation around, but a lot of time will be needed for the workers vanguard and the revolutionary organizations throughout the country to actively assemble their forces and to recognize that such a possibility exists, using the Villa struggle as a starting point.

The hard repression unleashed by the government has caused a real retreat by the revolutionary orga-

nizations, to which must be added the totally defensive attitude of the workers movement as a whole. Only by dint of the sacrifices and efforts of the heroic vanguard of Villa Constitución was it possible to win recognition of the fact that a new situation has been developing and that there is a potential for extending and broadening the struggles for various demands during this period before the renewal of labor contracts. It is important to stress the different reality that the machine workers of Córdoba experienced when their union was banned last September. Their strike remained completely isolated and unsupported, with the organizations of the left, victims of the repression, in full retreat, Conditions are very different today. Villa learned from the experience of SMATA (Sindicato de Mecanicos y Afines del Transporte Automotor - Union of Automotive Machinists and Allied Trades) in Córdoba and this can be seen in the various moves the workers have made and in the organizational and political results. Under these conditions, it is not only possible but more than ever necessary to coordinate solidarity with and support for Villa Constitución on a national scale, integrating into the struggle the demands of each trade union and factory that mobilizes.

The government put its prestige on the line in this confrontation, and the test of strength, which was a prolonged one, did it damage. The regime concocted a story that the workers movement, the revolutionary organizations, and even the bourgeoisie and its opposition parties denied. If it wants the factories to start working again, the government now has very few solutions for getting out of the impasse apart from recognizing the triumph of the strike and releasing the prisoners. Day after day the conflict was on the first page of the newspapers, and soon the automobile industry will be paralyzed if the Villa factories do not start working again quickly. There is now a shortage of 40,000 tons of steel, and 1,000 tons are used up without being replaced each day the strike goes on. Whatever negotiations the government may undertake, the masses of the country will see them as a triumph and will adopt the road and methods of Villa Constitución in order to push their own struggles forward.

April 30, 1975

On May 8 INPRECOR had the opportunity to interview a leading member of the Liga Comunista Revolucionaria/Euzkadi ta Askatasuna-VI (Revolutionary Communist League/ Basque Nation and Freedom-VI), sympathizing organization of the Fourth International in the Spanish state. In the interview the comrade gives some details about several recent developments of the situation in Spain.

QUESTION. What have been the outstanding features of the mass movement during the past several weeks?

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ANSWER. The major events of the workers struggle have been the strike of construction workers in Barcelona in mid-April, which was followed by a construction strike in Valladolid, which in turn served to trigger off the strike of the workers of the FASA-Renault auto factory in the same city. That strike represented the highest point in the development of the workers struggle in the Spanish state since the Pamplona general strike.

On the eve of May Day there were calls for general strikes in Grenada and Córdoba. These were not crowned with success, but they nonetheless led to significant demonstrations. Later I will come back to what happened on May 1 in other centers of the Spanish state.

On May 7 there was a two-hour work stoppage in the six largest metal factories of Madrid; 30,000 workers were involved. The Madrid metalworkers threatened to launch a general strike if their demands were not met during the negotiations now going on over the renewal of collective labor contracts.

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In the past period the most important features of the mass struggle outside the working class properly so called have been generalized movements of the population against the reactionary municipal administrations in Bilbao (demanding the resignation of the mayor) and Barcelona. Thirty thousand signatures were collected against the municipal councillors of the latter city, who are opposed to the municipality's using the Catalan language.

The student movement has experienced a new upsurge in conjunction with a mobilization of teachers in several cities. For example, an assembly of 1,000 teachers in Madrid projected a general strike of all teachers in order to force the government to reopen the University of Valladolid, which has been closed since the beginning of 1975. Since the beginning of January 1975, according to official statistics, two-thirds of all course hours have been lost in all

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Spanish universities as a result of various sorts of agitation. We should also mention the movement of the actors of the Madrid theater, which has again moved to the fore and has led to some confrontations with the police.

QUESTION. Why do you characterize the Valladolid strike as a high point in the struggle of the working class in the Spanish state?

ANSWER. The April strikes in Vallodolid were characterized by two remarkable features:

1. The strike of the construction workers was launched on April 16 around the following demands: 1,000 peseta weekly wage increases for all (about US\$2.00); 450 peseta daily bonuses for work outside the workers' cities of residence; rehiring of workers arrested or fired during the previous struggles. On April 17 it became a general strike. During this strike, general assemblies were held at all the work sites; in these assemblies delegates were elected to a central assembly. Out of this central assembly, in which members of the workers commissions and of various organizations of the workers movement also participated, there emerged an elected "committee of ten." This functioned as a strike committee for the whole city under the control of the central assembly of delegates, which met on numerous occasions.

2. The strike of the workers of the FASA-Renault factory, the largest single factory in the territory of the Spanish state, began on April 21 as a protest against a plan by the employers to extend the workday by ten minutes as well as to demand the rehiring of the workers fired during the strikes of 1974. Meeting in general assembly, the workers elected "representative commissions" to direct the struggle and negotiate with the employers. The employers responded with a lockout. By April 23, some 12,000 autoworkers were on strike. The workers decided to force open the gates of the closed factory and to occupy it. Two workshops were occupied for thirtynine hours, the longest factory occupation since the beginning of the Francoist dictatorship in Spain.

QUESTION. Was a general strike possible in Valladolid?

ANSWER. Incontestably. The workers had prepared for it, and they hoped enthusiastically for a general strike in Valladolid on May Day. If this hope was frustrated, it was essentially for two reasons:

First of all, the Communist party, which had hegemony in the assembly of delegates in construction, shamefully betrayed the desire for unity felt by the working class of Valladolid, calling for a return to work just at the moment when the FASA-Renault strike was reaching its highest point. The mass desire for unity was particularly expressed by a common call by the construction workers and the FASA-Renault strikers to the entire population of Valladalid asking the people to support the strike with a generalized boycatt of the movies, theaters, buses, and newsstands of the city and with a general withdrawal of deposits from banks and savings accounts. It was also expressed by many demonstrations of solidarity with the FASA-Renault strikers — for example, enormous donations of food were raised for the workers who were occupying the factory.

Second, the nucleus of combative workers that was playing a preponderant role in the FASA-Renault strike (grouped around the Plataformas Anticapitalistas) reacted with a sectarian attitude to the opportunism of the CP: They rejected any unity in action with the workers commissions led by the CP, for instance. Incontestably, this sectarian attitude facilitated the betrayal by the CP, which otherwise would have had to pay a very heavy price for its rejection of a united general strike on May Day.

QUESTION. What has been the regime's reaction to this continuous rise of mass struggle?

<u>ANSWER.</u> The regime is continuing its efforts to make it look as though a change is in the wind, holding out the sham of "reforms." For example, it has just "legalized" strikes, but under such conditions that this "concession" is in reality aggravating the repression and the sanctions against strikes, which have become very common during the past period. (The conditions are that 60 percent of the workers must vote for the strike in a secret ballot, that ten days' advance notice has to be given before the strike, that no compensation, even unemployment compensation, can be paid during the strike, and so on.)

Likewise, the possibility of a rapid transfer of power to Prince Juan Carlos is being raised. Some people are even asserting that this may happen in coming weeks. Ex-minister Fraga, a "liberal" Francoist, has spread around the rumor that when the chief of state is changed there will be a "national regroupment" around Arias, former chief of staff Diaz, and Fraga himself.

At the same time, a general amnesty for political offenses would supposedly be proclaimed; three "political associations" — those of the "liberals" around Fraga, the Christian Democrats around Ruiz Jimenez, and the Social Democrats of PSOE (Partido Socialista Obrero Español — Spanish Socialist Workers party) — would be legalized.



All these rumors have to be considered with great caution, although the Spanish bourgeoisie, with its back to the wall, is obviously seeking to go beyond the caricature of the absolutely inept and inoperative "reforms" of the Arias government. But even concessions of the type suggested by Fraga would in no way be able to halt the emergence of a prerevolutionary situation. They could only precipitate it.

QUESTION. Under these conditions, what is the situation with repression?

ANSWER. The repression is continuing full steam and is even intensifying. It continues to be much more real than the famous "reforms."

For example, many workers are still fired during each strike (seventy during the FASA-Renault strike). Heavy fines are imposed on protesters: two vicars in Grenada who went on hunger strike to protest unemployment were sentenced to pay fines of half a million pesetas each (about US\$1,000). During the past three or four months a whole series of cultural events, conferences, presentations of books, and so on have been banned everywhere, except in Barcelona. The headquarters of even as harmless an organization as the Friends of UNESCO, which has been functioning for years, has been closed.

Opposition liberal weeklies are continually seized, such as the weeklies Posible and Cambio 16, whose circulation had risen from 20,000 to 250,000 because of its oppositional (even though very cautious) attitude.

QUESTION. The state of emergency declared in the Basque country was undoubtedly the sharpest expression of this policy of repression?

ANSWER. Yes. It was proclaimed on April 25 in face of the intensity of the offensive of the ETA-V, about which the dictatorship was probably growing concerned. But the fundamental targets of the state of emergency were not only the militants of the ETA-V, but those of the whole of the mass movement in the Basque country, which has been going through an upsurge since the general strike of December 11, 1974.

Many arrests were made in all the Basque provinces on the very eve of the publication of the decree on the state of emergency. Many of those arrested were

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tortured. One militant of the ETA-V was murdered right on the street. The ETA-V responded to this by executing two policemen, and that touched off an offensive by the fascist gangs. These gangs moved forces into the Basque provinces from all over the Spanish state. They carried out armed attacks on a lawyer who defends the political prisoners of the ETA-V and burned down private houses and commercial establishments belonging to members of the families of ETA-V militants.

At the same time, there was a new wave of arrests throughout the country, in the course of which many acts of brutality and torture were committed by the cops. In Grenada, for instance, two prisoners had to be taken to the hospital in serious condition after the tortures they were subjected to.

The repression has not been all that effective. It has not at all succeeded in demobilizing the mass movement, especially in Euzkadi (the Basque country). We cannot even exclude the possibility of a massive response, as in 1969 or during the December 11, 1974, general strike. Moreover, there have been demonstrations of solidarity with Euzkadi in several places, especially in Barcelona. The Basque country is already being hit with a maximum of repression. Under these conditions, the state of emergency proclaimed there takes on the aspect of a political test. If the mass movement continues to grow, a political turn becomes possible.

At this point, some sections of big capital are questioning the effectiveness of repression in slowing down the mass movement. They are seeking to get rid of the Francoist apparatus under the best possible conditions, because that apparatus is no longer useful to them since it has not managed to slow down the broader and broader mobilizations of the masses. But at the same time, they are afraid that any political concession to these mobilizations would touch off a real revolutionary crisis. The big bourgeoisie would like to make some minimal concessions that could avert this explosion. But this project has no chance of success. Any political concession will be considered by the mass movement as an encouragement to continue to fight until the complete fall of the dictatorship and to continue the attack against capitalism itself.

QUESTION. What is the attitude of the CP in face of the bourgeois project of accelerating Franco's succession by Juan Carlos?

ANSWER. The whole policy of the CP consists in making a never-ending effort to persuade the big bourgeoisie that it should not at all be afraid of getting rid of the Francoist dictatorship. It does this by aiming at systematically demobilizing and dividing the movement during workers struggles, by rejecting a general strike, and so on.

The "Manifesto of National Reconciliation" issued by the Junta Democratica (Democratic Council), in which the CP participates, is being put forward these days in meetings nearly everywhere in Europe; it asserts that the movement must be limited to demonstrations of "convergence of all citizens, without social danger and without challenging either the unity of Spain or private property." A fine perspective, especially for the people of Euzkadi and for the anticapitalist workers!

This policy is not only traitorous, it is also unrealistic, because it pretends not to understand that for the big bourgeoisie, the project of getting rid of Franco is tightly linked to an analysis of what would be convenient for it from the standpoint of its class interests. The Spanish big bourgeoisie is perfectly conscious of the anticapitalist potential of the current mass mobilizations. It is not going to be convinced otherwise by any profession of faith from the Junta Democratica.

For this reason, the major task of revolutionary Marxists is more than ever to struggle for class independence with a dynamic of struggle that is more offensive each time, for the extension of the generalization of struggles and of the forces of self-organization and self-defense of the toiling masses.

QUESTION. Did the May Day demonstrations this year have any particular political aspect?

ANSWER. The demonstrations were vigorously repressed. In Galicia a worker was killed by the police during the May Day demonstration; in Barcelona two people were wounded; there were also wounded in other areas.

But the most striking political feature of May Day 1975 in the Spanish state was the first public appearance of the PSOE, the old Socialist party. In Madrid it tried to organize a silent demonstration in a cemetery in front of the grave of the great author Pablo Iglesias, founder of the PSOE. The police had closed the gates of the cemetery. Several thousand people assembled in front of the cemetery and were attacked by the police and by the fascist gangs of the group called Guerrillas of Christ the King. Sixty were arrested and several were hurt.

It is significant that this repression took place just at the moment when the Francoist press was speaking openly about the project of "legalizing" the PSOE and was publishing reports of press conferences and statements by its presumed general secretary. Nothing better illustrates the political dilemma of the Spanish bourgeoisie and the irresistible decomposition of the dictatorship.

## VOLKSL. GEN:

### WWERNER HEFESBERG

"VW's losses in 1974 were unique in the industry of the western world. Losses for 1975 will be on the same order. A liquidity crisis is looming. VW's dependence on exports is a deadly danger. An equivalent reduction in capacity of all VW and Audi/NSU factories is not possible. The Audi/NSU factory in Neckarsulm is especially threatened with total shutdown." (Stern, No. 10, 1975.) That is how T. Schmücker, new VW chief and rationalization expert, described (in a "strictly confidential" report) the economic situation of what was once the showpiece of the West German "economic miracle." The April 14 decision of the VW board of directors did not call for the outright shutdown of any of the factories belonging to the concern; but the reorganization plan that was decided on does call for the largest mass layoffs in Germany since the end of the second world war.

If the management of the firm succeeds in getting its way against the workers, the following layoffs will be ordered during coming weeks and months: VW Wolfsburg 5,900 (out of 48,000 workers); VW Hannover 3,900 (out of 20,000); VW Kassel 2,300 (out of 15,000); VW Salzgitter 3,000 (out of 8,200); Audi Ingolstadt 1,700 (out of 10,000); Audi Neckarsulm 4,700 (out of 10,000); and VW Brussels 1,350 (out of 3,000). The several hundred jobs in the Heilbronn and Neuenstein factories will be eliminated completely.

#### A monument wobbles

With these measures the company management is trying to improve the deteriorated position of the firm, which is no longer a secret. This is to be done at the expense of the workers, who already last year suffered considerable losses of income due to twelve periods of short-time work. And this is not to mention the sharpened competition for jobs, which makes it possible to threaten the workers with unemployment.

The West German auto industry remains deeply in crisis. In spite of a recent small increase in monthly production, the production figures for the entire automobile industry for the first quarter of 1975 were 25.8% less than for the first quarter of 1974. Exports are down 43%. (Handelsblatt, April 23, 1975.) VW sales have been the hardest hit by this crisis. In 1966-67 VW tried to meet the rising and sharpening competition in the automobile industry by expanding its production for export. The approximately 125,000 VW workers in West Germany produce about 70% for export, while the average in the auto industry as a whole is 60%. The energy crisis, rising inflation, conjunctural economic difficulties, and the emergence of a "saturated market" for the automobile industry have engendered a notable decline in sales by all auto companies since 1973. In West Germany VW sales declined from 670,000 in 1970 to 516,000 in 1974. Export sales in the other European countries declined from 352,000 in 1972 to 282,000 in 1974, and sales in the United States declined from 570,000 in 1971 to 282,000 in 1974. Growing competition on the domestic market, which has rendered "unattractive" the model around which VW has based itself for decades, has also led to a decline in sales in West Germany itself. In 1961 VW's share of the West German auto market was 43.9%; in 1971 it fell to about 29.1%; in 1972 to 26%; and in 1975 it should be about 28.3%.

The collapse of the international monetary system and restrictions on imports and other protective measures taken by countries to which VW exports autos further sharpened the sales crisis. In some cases (Ireland for example), changes in the exchange rates have even led to a suspension of all export. Only in Latin America (where in Mexico and Brazil VW has conquered first place in passenger cars) may sales still increase. All in all, experts estimate that the VW concern lost approximately DM850 million last year. Of that total, DM550 million was lost by VW itself and DM300 million by its subsidiaries abroad. (See Der Spiegel, No.16, 1975.) Factories ran at about 40% capacity during the year.

The crisis of what used to be a model company ("A Volkswagen always runs forward, " said former VW chief Nordhoff), its rapid plunge from first to seventh position among West German companies, came as worse than unwelcome for the SPD-FDP coalition government, (SPD: Sozialdemokratische Partei Deutschlands - Social Democratic party of Germany. FDP: Freie Demokratische Partei - Free Democratic party, the bourgeois liberal party.) The ruling parties wanted to achieve a small reduction in unemployment (to reduce it to less than 1 million) before the state elections in Schleswig-Holstein and Nordrhein-Westfalen. The slogan of the SPD during the Nordrhein-Westfalen elections was "Vote for an upturn." But the mass layoffs at VW put a damper on any optimism about stabilizing the economic situation and upset the SPD's calculations.

And understandably so, for no other West German company can determine the economic future of whole regions the way VW can. In:Lower Saxony alone (where VW production is concentrated) VW accounts for one-sixth of all industrial employment. About 30% of all industrial investment in the state stems from VW. Such well known German firms as the Peine-Salzgitter steel works, Conti-Gummi, Phönix, Varta, Bosch, AEG, Siemens, Blaupunkt, and A. Teves are economically dependent on VW, to which they furnish supplies. The overall estimate is that between 30% and 50% of Lower Saxony's economy is dependent on VW. (See Die Welt, May 31, 1974.) Factories in southern Germany are even more dependent on VW production. In Neckarsulm and its environs about two-thirds of the employed population is dependent on VW. In more localized urban areas, every second metalworker and every fourth industrial worker works for Audi/NSU, which belongs to the VW concern. (Die Welt, July 12, 1974.)

#### The reorganization plan

The original reorganization plan called for the total shutdown of the Neckarsulm factory with its approximately 10,000 workers. Reports of this possibility began appearing in the newspapers months ago. In spite of massive efforts by the workers to get the management to make its plan public, the personnel were left in the dark for months. But the massive mobilization of the workers of the threatened factory and of the population in the surrounding area forced the management to back down. (At the beginning of March more than 20,000 people demonstrated, and 90,000 signatures were collected within a few days on a petition against the plans to shut the factory down.)

At the beginning of April the reorganization plan that has now been decided on by the VW board of directors became known through an "indiscretion." The first response of the combative section of the VW workers was to organize two token strikes and demonstrations in Neckarsulm and one token strike in Salzgitter. In the meantime, a plan to construct a VW factory in the United States had fallen through (the idea was to avoid import restrictions and reduce production costs), so the management had to move to centralizing production through mass layoffs. The Audi/NSU production facilities, acquired in 1969, did their part in this, for the Audi models produced there permitted VW to expand its models (Golf, Passat, Polo) by making only superficial changes in the basic stock. Beyond that, the reorganization plan is supposed to achieve a concentration of the individual VW factories and also to make it possible to introduce new investment for rationalization. For example, there are plans to install a fully electronically operated conveyor belt for body frames in the VW factory in Hannover.

The influence of T. Schmücker, presently VW chairman, is quite clear in all these plans. Previously, he had applied the same recipes during the crisis at Rheinstahl, the West German steel giant: Intimidation of the workers through threats of layoffs; mass layoffs; rationalization investment; selling of unprofitable subsidiaries (which is already being discussed openly); and mergers, or at least close collaboration, with economically sound firms.

#### The workers attacked...

Up to now the VW workers, with the exception of those of Neckarsulm and Salzgitter, have not responded with any notable resistance to the measures the employers are trying to push through. And this is not surprising. In spite of the high level of tradeunion organization, the rank-and-file trade-union bodies at VW are playthings in the hands of professional factory councils that have held their positions for many years. With a few exceptions (some of the workers in Kassel), the VW workers do not have any experience in trade-union struggles. The long period of economic upswing created conditions under which the employers were able to integrate the workers and buy off the unions. (Up to now, VW has been in the forefront both in Lower Saxony and in West Germany as a whole on questions of wages and social benefits; in 1975 the wages of VW workers are on the average about 13,1% higher than those of metalworkers.) Periods of short-time work and permanent layoffs have further eroded combativity over the past year. (Between December 31, 1973, and December 31, 1974, the number of workers employed at VW dropped by 19,000. In the first three months of 1975, it was reduced by 5,000 more.)

In order to avoid becoming unemployed, general foremen agreed to be demoted to foremen, and foremen and skilled workers agreed to be demoted to assembly-line workers. In addition to avoiding a total confrontation with the combative workers in Neckarsulm, the reorganization plan that has now been decided on by the management has the advantage of further sharpening the lack of solidarity among the workers. A correspondent of the liberal daily Frankfurter Rundschau remarked in this connection: "A cleverly devised strategy, which makes it possible to order mass layoffs without provoking big reactions from the employees, is having its effect. Feelings of fear, insecurity, and gallows humor are predominant among the workers." (Frankfurter Rundschau, April 26, 1975.)

#### But not yet beaten

The situation in Neckarsulm is different. The work force in that city has taken part in two labor conflicts in the recent past (the metalworkers strike in 1971 and the fight for better working conditions in

Baden-Württemberg in 1973). Discussions are held and decisions are made in the rank-and-file tradeunion bodies. The two token strikes of the past several weeks have given the workers a feeling of their own strength. They want "no longer to be powerless objects, " as one commentator put it. Salzgitter is seething as well. The actions and combativity of the workers in Neckarsulm led the local metalworkers union into conflict with the class conciliationist line of the national trade-union leadership. More extensive measures of struggle, such as protest blockades of the highways, factory occupations, and guarding of the factory premises to prevent secret transport, are being discussed not only by individuals, but also by a large section of the trade-union activists. But between the workers' will to struggle and the actual initiation of the struggle stands the trade-union bureaucracy: the local bureaucracy, which has so far regarded measures of struggle as "exercises in duty" that had to be taken in order to remain on top of the struggle so as to channel it, and the bureaucracy on all other levels, which has come to terms with mass layoffs.

Even Steinkühler, the factory leader of the metalworkers union in Baden-Württemberg, who is considered a "leftist," does not see the "possibility of preventing the reduction of the work force through layoffs by resorting to measures of struggle." (Handelsblatt, April 8, 1975.) Eugen Loderer, chairman of the metalworkers union (and vice chairman of the VW board of directors) has beaten the drums for the solution the employers are now trying to put through. He was the first to publicly call for "distributing the burden on as many shoulders as possible" instead of closing down the factory outright. The trade-union leaders on the VW board of directors have taken the same attitude. They do not come out against all layoffs; they simply propose a plan that would lay off only 20,000 workers instead of 25,000. The trade-union bureaucracy happily stated in a press release that they had "made it clear with their compromise proposal in the board of directors that they are prepared to accept responsibility at VW."

This example clarifies the effects of all class collaborationist models granting the workers' organizations influence in the policy of the employers under capitalism. The case of VW is a clear indication not only of the end of the West German economic miracle, but also of the bankruptcy of the "participation" advocated by the trade-union bureaucracy. "Participation" cannot block layoffs, and neither can any other form of class collaboration. Instead, it means taking responsibility before the working class for layoffs.



Resistance to the plan for layoffs is beginning to develop in Neckarsulm. In order for it to be successful, it must prevail against the solid front of the managers of the firm, the trade-union bureaucracy, and the SPD government. The SPD-FDP government has so far denied any direct aid to the workers. Economic Minister Friedrichs, for example, declared: "I want no British Leyland here," Chancellor Schmidt has deliberately hailed the "new conception" of how to administer the concern. The coming 25,000 layoffs are being saluted as "certain to improve the health of the enterprise." By promising a DM108 million program to develop new jobs in the regions that are to be affected by the layoffs, the government is trying to make the workers wonder whether it is even worthwhile to defend their jobs today - despite the fact that experts estimate that it would take two to three years before the effects of such plans would be felt. And in any case, such plans are not so good for the workers. The real beneficiaries will be the capitalists in the areas concerned; their investment needs will be reduced by about 20% due to state subsidies (in addition to the 7% subsidy provided by the "conjunctural program, " which went into effect at the beginning of this year).

The struggle by the workers of Neckarsulm against the reorganization plan stands at a turning point. Either the workers will prevail against the pacification maneuvers of the trade-union bureaucracy and thus will issue a call to struggle to the workers of other regions who are still intimidated today, or else the "concerted action" of the company management, the union bureaucracy, and the government will again be imposed. The conditions for such a struggle by the workers are better than ever today.

#### What next?

The West German working class is beginning to shake off its insecurity, which crippled the combativity of the working class when it was confronted with massive unemployment in the autumn and winter. Some 40,000 young workers demonstrated in Dortmund, Frankfurt, and Stuttgart against the rise of unemployment among the youth and against the reduction of apprenticeships for working-class youth. In a small town in Westfalen, 150 cement workers have been occupying their factory for seven weeks now to prevent a shutdown. Recently held elections to the factory councils have resulted in shifts in favor of leftist or combative candidates in most of the big factories. (According to law, secret-ballot elections are held every three years to choose the representatives of the workers and employees.)

If the workers of Neckarsulm succeed in taking steps forward in the direction of self-organization of the struggle; if assemblies on the department and factory level are held at regular short-term intervals; and if these assemblies become places in which coming actions are discussed and decided upon, then the position of the bureaucracy, which remains strong today, will begin to crumble. A recently established support committee has set itself the task of organizing active solidarity in other factories. But the struggle has to get an impulse forward. The slogan "No layoffs!" has to be concretized. Against the slogan "Spread the burden over many shoulders!" which has been raised by the trade-union bureaucracy. we must fight for the slogan "Spread the available work among all workers with no reduction in pay!"

April 26, 1975



The publication in the Soviet Union of the economic results obtained in 1974 and of the plan for 1975 (released, as usual, between December and the end of January) passed virtually unnoticed this year. Brezhnev's political and physical health, which seemed especially fragile and threatened precisely during that period, provided the main focus of attention for Kremlinologists, and consequently for world and Soviet public opinion as well.

Given the generalized crisis of the world capitalist economy, bourgeois observers had no interest in highlighting the fact that the Soviet economy had advanced at a rate of 5 percent during 1974, with industrial production increasing 8 percent. These figures, which during the years of the long postwar capitalist boom would have provoked yawns of boredom and indifference, once again took on a rather provocative and in any event displeasing taste for the bourgeoisie, afflicted as it is with its own crisis.

For their part, the pro-Soviet Communist parties also preferred not to go into a deep analysis of the Soviet economy, which, beneath the superficial veneer of apparent prosperity, conceals purulent sores that are particularly difficult to cure.

#### Results in 1974

An analysis of the economic results of 1974 can reveal many things about the functioning of the Soviet economy, provided, of course, that such an analysis is conducted on the basis of methodologically correct criteria.

An initial criterion, we believe, consists in comparing what data we presently have with the goals set by the economic plan four years ago (with the approval of the present leading group) when the current five-year plan was drafted. For the first time since the 1920s, this plan set not only final overall objectives, but also year-by-year quantitative targets.

If in the Soviet Union the economic plan is the law, and also the basis of the economic order, it seems clear that the problems and contradictions of the Soviet economy can be illuminated through such a comparison. Obviously, it would also be necessary to examine how and in whose interests the plan was worked out. But this is not the place to do that. But the comparison between the plan and its realization is nevertheless significant and can provide a sufficiently effective litmus test.

We shall make this comparison on the basis of the data of the five-year plan and not on the basis of the data of the annual plan, because the annual plans are not sufficiently broken down to allow meaningful conclusions to be drawn and, more generally, because the socioeconomic processes that we are interested in can be revealed only if the span of time being examined is sufficiently long.

For the sake of precision, let us point out that, according to the official Soviet data available (for ministries, and therefore, more or less, for industrial sectors), the 1974 annual plan was fulfilled or overfulfilled <u>everywhere</u>; but this is a relatively insignificant point, as can be deduced from the fact that this is regularly the case anyway, even in the worst years.

The following conclusions can be drawn from the tables we have worked out (see tables 1 and 2):

 There was a general and widespread lag – greater or lesser according to sector – with respect to the goals of the five-year plan. Of forty-five outstanding commercial rubrics, the plan was ful-

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filled only in nine. None of the overall objectives of the plan was achieved. (See table 2.) Of the objectives that were attained, two were in agriculture (chemical fertilizer and agricultural machinery), thus confirming Brezhnev's line, especially since the 1972 harvest disaster, which leans toward developing investment in this traditionally weak sector.

Activity in the coal industry, which has again become important because of the energy crisis, had previously been reduced much less and much slower in the USSR than in the capitalist countries. It was therefore easier to increase production. Now and then bureaucratic conservatism has some advantages in a world that changes very rapidly!

The successes achieved in the computer industry have to be taken with a grain of salt, considering the very low starting point and the poor quality of Soviet production.

2. The objectives of the plan were not attained for a series of products that are decisive for economic development: first of all in the energy sector (apart from coal) — oil, gas, electrical energy. The lag in these areas is not as serious for internal consumption as it is for the opportunities that will consequently be missed on the world market. A more rapid development in this sector would have permitted immediate economic advantages to be reaped ("strong" values) and would have constituted an important element of political pressure, both on the countries of the East and on those of West Europe.

Second, there were notable lags in the construction of facilities in all sectors: from chemicals to the petroleum industry to light industry and the food industry. The lag in the turbine industry was also considerable.

Less important but nonetheless significant, there were discrepancies between the results achieved and the objectives set by the plan in construction of presses and forges and in the machine-tool industry.

All this indicates that, once again, the investment projects now under way will suffer from serious lags - and not only because of the usual lack of coordination among the various sectors or because of the inefficiency of the construction companies. Obviously, this threatens the more long-term fundamental objectives (the slight lag in steel and cast iron has already had this effect).

3. But the most striking feature is the overall lag in Department II of the economy, production of consumer goods. This lag can be seen clearly in table 1: Televisions were the only commodity for which production exceeded the planned objective. Even housing construction lagged behind the target set in the five-year plan.

Although total industrial production exceeded the objectives of the annual plan (increasing by 8%, as compared with the 6.8% increase called for in the plan), the increase in production of means of production (8.3%) was higher than the increase in production of consumer goods (7.2%), despite the fact that the annual plan called for exactly the opposite (increases of 6.6% for means of production and 7.5% for consumer goods).

Thus, for the third consecutive year (and completely independently of the provisions of the annual plan), the industries producing means of production developed more rapidly than those producing consumer goods. The plan for 1975 merely takes note of what may now be considered a clear tendency: Department I is supposed to increase 7%, Department II 6%, for an overall increase of 6.7%. The extremely strong lags in the production of machinery for light industry and the food industry (25% and 40% respectively) predetermines that this tendency will continue in the future. Clearly, the lag is not merely in production, but also in investment.

This five-year plan was supposed to have been the first in the history of Soviet planning under which the rate of production of consumer goods would exceed the rate of production of means of production. This historic turn was presented with much pomposity by Kosygin in his report on the five-year plan.

There is no lack of reasons for the solemnity of the announcement. During the Stalin period, "lending priority to heavy industry" was not only a solidly established practice, but also a nondebatable ideological dogma. (In any case, Stalin was not especially fond of discussion, as is known.) The year of Stalin's death was the first in which the rate of increase in production of consumer goods was more than 50% that of the increase in the production of means of production. But the "economic spring" promised by Malenkov proved to be of short duration. The "goulash" in Khrushchev's "goulash communism" was more ideological than real. The concessions to the peasants (partially withdrawn during the crisis at the beginning of the 1960s) did not entail a substantial redistribution of investments.

It was only with the initiation of the economic reforms that things began to change: For three successive years (1968, 1969, and 1970) the increase in Department II was greater than the increase in Department I. This inversion of the tendency was then consecrated in the projected figures for the fiveyear plan. But unfortunately, only on paper.

The agricultural crisis of 1972 marked the turning point. But what appeared at the time to be a conjunctural feature linked to the agricultural situation of the period turned out to be a much more significant phenomenon. Since then, the Soviet economy has returned to the "classical" proportions, which call for "priority development of the means of production." This, it may be said in passing, confirms our thesis that the 1972 crisis was not simply an agricultural crisis, but also an industrial one and that it was the result of the failure and the blocking of the economic reforms. The return to priority for means of production seems to have been imposed by the press of events (and probably by the pressure of certain groups); it was not so much a conscious turn by the leading group. It is probably not accidental that the plan for 1974 called for a greater increase in consumer goods. But neither is it an accident that this objective was not attained.

#### The consumption dilemma

The Soviet review Planovoe Khozyaistvo (Number 3 in 1975) listed failure to attain the plan's objectives in the area of consumer goods as one of the reasons for the insufficient increase in the productivity of labor, which also lagged behind the objectives of the plan. The lag in consumer goods and the fundamental disequilibrium that afflicts the Soviet economy flow in turn from many other disequilibriums and disproportions.

The social consequences are both the most important and the most obvious ones. And it is not only a matter of the absolute level of consumption of the Soviet masses, which continues to remain especially low. It is a question above all of the contradiction between this level of consumption and the overall industrial (and military) power of the country, an imbalance that inevitably provokes tension. It is a question of the contradiction between the effective level of consumption attained by the masses and the expectations of the masses, which are raised by the promises made by the leaders and by the propaganda that goes along with these promises.

But if the increase in the production of consumer goods is so crucially important, why has the leading Soviet group, which completely controls the levers of the planned economy, not succeeded in attaining the objectives it has set itself? On this point, it almost seems as though Kuron and Modzelewski were correct in attributing to the "central bureaucracy" an organic link with the increase in the means of production. In fact, however, we do not believe that there are structural reasons why the Soviet bureaucracy has not succeeded in developing the production of consumer goods. Neverthe less, we note the existence of a whole series of concrete historical factors that have up to now prevented the realization of the objectives.

In the first place, the connection between light industry and the agricultural sector is obvious. But it is precisely the agricultural sector that remains the Achilles heel of the Soviet economy, in spite of the development of investment and the notable concessions that have been made to the peasants during the past decade. In reality, the technicaleconomic measures taken in favor of agriculture have not affected the social structures (nor could they do so without placing the bureaucracy's rule in danger), which remain schizophrenically divided between the bureaucratically managed enterprises (whether kholkhozi or sovkhozi, cooperative or state-owned) and the very small property, which is intensively cultivated on an individual basis, with corresponding productive results (32% of meat, 61% of potatoes, and 43% of eggs are produced on these privately worked plots). This structural weakness of agriculture creates a high degree of variation in productive results. After the disaster of 1972, there was the record harvest of 1973. But that was in turn followed by the mediocre harvest of 1974. Last year, with a planned overall increase of 7.5% in Department II, the food industry (strictly linked to agriculture) was supposed to increase 7.6%. This increase did not occur, because of the mediocre agricultural harvests, which did not provide adequate supplies to the processing companies. And the results of the food industry, which were inferior to the targets set, weighed negatively on all of Department II.

Second, an extreme sluggishness both in taking decisions and in carrying them out is characteristic of a bureaucratic system like the Soviet one. This overall viscosity of the system has in turn played a role in prolonging for years (from the death of Stalin to the end of the 1960s) the discussions about shifting priorities from heavy industry to light industry. It is thus not surprising that a turn taken with such difficulty should be carried out with such sluggishness.

But viscosity means not only sluggishness but also the encountering of (and clash with) vested interests that oppose any policy that would place acquired positions in danger by modifying the proportions between the fundamental sectors of the economy.

It is clear that the predominance of heavy industry over a period of many decades has created an interlacing of interests that includes the top bureaucracy of the ministries that preside over the development of heavy industry, certain sectors of the Gosplan (the state planning commission), the directors of certain large enterprises, and the party bureaucracy

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that manages the corresponding interests ("sectors" of the central committee, leading groups of the regional and citizens' committees in key zones of heavy industry).

For these groups, "priority development of heavy industry" has meant "priority development" of their respective bureaucratic privileges and of the positions of power that guarantee such privileges.

It is not surprising that these "eaters of steel," as Khrushchev once called them in his famous speech, are prepared to mount the most rabid resistance to any attempt to undermine the bases of their own power.\*

Third, the strong centralization of Soviet industrial structure makes it much easier to administer the development of sectors with a high horizontal and vertical concentration like those of Department 1 than to administer the sectors producing consumer goods. The latter, because of their direct links with the individual choices of consumers, require more elasticity in management and a certain degree of decentralization. These conditions can be fulfilled either through democratic control of the management by the rank and file or through the utilization of market mechanisms.

With the economic reforms, the Soviet leaders chose the latter path. And in fact, during the years in which the application of the reform was begun (1968–1971), the outlines of the inversion of the old tendency also emerged.

The ditching of the reform at the end of the 1960s resulted almost immediately (beginning in 1972) in a return to the old proportions.

Finally, it is probably that the weight of the military sector acted in favor of Department I, of which military production is a part. This is probable, but not certain, given the aura of secrecy with which everything in the USSR that is even tangentially connected with military problems is surrounded. But a series of indirect deductions leads to this conclusion. Among the power groups interested in maintaining the priority on heavy industry are certainly those circles linked to the military industries and also those of the armed forces. It is quite probable that these circles brought their pressure to bear along with the "eaters of steel." In addition, there are many signs that suggest that when the policy of détente with the United States was initiated (that is, around 1970, at the same time as the current five-year plan was worked out), the Soviet leaders believed that such a policy would enable them to reduce military expenses rather rapidly. More generally, the détente policy holds a particular attraction for the Soviet leaders precisely because it could allow them to reduce the enormous weight of military production in the Soviet economy. But reality refuted this prediction. In spite of the collaboration with the United States that continues to develop in other areas, there has not been a reduction in internal or external military commitments and therefore in military expenditures.\*

#### Perspectives

In 1974 the overall growth of Soviet industry was higher than the planners had predicted one year before (8% compared with 6.8%) but lower than had been called for in the original five-year plan. Nevertheless, even the targets of the 1974 annual plan were not fulfilled in a whole series of important areas — from sheet metal to caustic soda, from cellulose to refrigerators, from knitwear to cotton cloth and shoes. (See Planovoe Khozyaistvo, No. 3, 1975, p.29.) It is not simply a matter of lack of quantitative success; in some delicate investment sectors the endemic malady of the Soviet economy made itself felt once again: the "dispersion of industrial building projects."

According to the statistics of Planovoe Khozyaistvo, the number of such projects rose by 10,000 during 1974, and the value of resources "frozen" in uncompleted industrial construction projects reached 70,000 million rubles.

This means low efficiency of invested sums, which will require more time than originally foreseen before yielding productive results, which will in turn mean that the establishments constructed will already be obsolete when they begin to function — and who knows when that will be! Clearly, the attempt to concentrate investment, which was made in 1973 in order to eliminate the consequences of the crisis of 1972, has not yielded sufficient results in time.

The only sector that is experiencing a strong expansion is foreign trade, although full and definitive data on this sector are not yet available. It is clear that the energy crisis has played an essential role in achieving this result. The boom in the prices of raw materials, and especially of oil, has acted in

\*See, for example, the recent conclusions of the negotiations on multiple-warhead missiles, which established a ceiling that seems clearly superior to the productive capacity of both the USSR and the United States.

<sup>\*</sup>It may be noted in passing (for this evaluation, we believe, is not sufficiently based on definite information) that Kirilenko, whose star has undoubtedly been rising during the past several years, is considered a representative of these groups.

	TABI		Difference
Planned for 1974 under the five-	vear plan	Actual results	(in units)
Electrical energy (in billions			
of kilowatt hours)	985	975	- 10
Petroleum (millions of tons)*	461	459	- 2
Natural gas (billions of cubic		0.13	10
meters)	280	261	- 19
Coal (millions of tons)	670.2	684	+ 14 - 2
Cast iron (")	101.9	99.9	
Steel ( )	138.1	136 109	- 2.1
Sheet metal ( )	109.8		- 0.8
ripes ( )	16	15	+ 0.1
Chemical fertilizer	80.2	80.3	+ 0,1
Calcinated soda (millions	4.5	4.5	
of tons)	2.3	2.2	- 0.1
Caustic soda (millions of tons)	46.6	47.1	+ 0.5
Tires (millions)	40.0	4/.1	+ 0.5
Turbines (millions of kilo-	22.3	17.3	- 5
watt hours) Machine tools	233	225	- 8
Presses and forges	54.3	49.0	- 5.3
Calculating machines (billions	54.0	47.0	5.5
of rubles)	1.6	2.2	+ 0.6
Oil refineries (thousands of tons)	228.5	172	- 53.5
Chemical plants (millions of			
rubles)	717.2	607	- 110.2
Machinery for light industry			
(millions of rubles)	793.7	629	- 164
Mochinery for the food industry			
(millions of rubles)	650	456	- 194
Trucks (thousands)	718	666	- 52
Passenger cars (thousands)	1,204	1,119	- 85
Tractors (thousands)	542	531	- 11
Agricultural machinery (mil-			
lions of rubles)	3,323	3,465	+ 142
Harvesters (thousands)	123	88.4	- 34
Excavating machines (thousands)	40.7	37.1	- 3.6
Bulldozers (units)	41	47.2	+ 6.2
Timber (millions of cubic meters)	302	296	- 6
Cellulose (millions of tons)	7.4	6.3	- 1.1
Paper (")	5.1	5	- 0.1
Cardboard (")	4	3.2	- 0.8
Cement (")	116	115	- 1
Textiles, all varieties (millions	10 100	0.005	100
of square meters)	10,450	9,825	- 630
Cotton	7,000	6,619	- 381
Linen	853	796	- 57
Wool	825	724	- 101
Silk	1,461	1,412	- 49
Ready-to-wear clothes (bil-	19.8	18.1	- 1.7
lions of rubles)	791	684	- 1.7
Leather shoes (millions of pairs)	51.3	50.6	- 0.7
Watches (millions of units)	51.5	50.0	- 0.7
Radios and record players (mil- lions of units)	10.3	8.8	- 1.5 .
Televisions (millions of units)	6.3	6.6	+ 0.3
Refrigerators (")	6.2	5.4	- 0.8
Motorcycles (thousands)	975	960	- 15
Furniture (billions of rubles)	4	4	
Torritore (orritore or robles)		14 F.4	

\*The "actual results" include condensed gasoline, although the statistics of the plan did not include this. The difference between what was planned and what was achieved is therefore in excess of 2 million tons.

#### TABLE II

Planned for 1974 under five-year plan (1970 = 100)		Actual Result
National Product	129	123.6
Industrial production	135.1	133
Salaries of workers and employees*	117.5	115
Real income per capita	123.8	119
Productivity	129	126.4

\*Average monthly wages for 1975 are now planned to be 144 rubles, while the five-year plan had set a goal of 149.3 rubles.

the USSR's favor (since it is a big exporter of raw materials) and seems to have enabled it to close out the year with a trade surplus of 2,000 million rubles, as compared with a 1,000 million ruble deficit the year before.

Nevertheless, a further improvement in the Soviet balance of payments on the convertible currency market seems excluded, both because of a decline in the prices of a number of raw materials and because of the impossibility of transfering any great quantities of oil to the world market from the internal market and the market of the East European countries.

But just at the moment when foreign trade is scoring brilliant successes, commercial relations with the United States, to which the prospect of fantastic medium- and long-term expansion of foreign trade was linked, are going through a period of intense difficulties. The block by the American Congress of Eximbank credits and the rejection of most-favored-nation status for the Soviet Union, not to mention the subsequent Soviet denunciation of the U.S. trade bill, jeopardizes not only the relatively limited trade that has been developing between the two countries, but also the vast collaboration projects for the exploitation of natural resources in Siberia.

This is the result not only of the contradictions that presently exist on the international field, but also of the contradictions that have come to light within the bureaucracy between the groups that are inclined to make concessions to the United States and the groups that are more or less conscious of the dangers such concessions could have not only for the system of planning but even for the very power of the bureaucracy.

But the elimination, or at least the deferment, of the prospect of economic collaboration with the United States on a vast scale just at the moment when the Soviet economy is once again manifesting all its basic weaknesses leaves the leading Soviet group uncertain in face of the basic choices that are demanded by the imminent elaboration of the tenth five-year plan and by the discussions on a development program to run through 1990.

Once again, the Soviet leaders are faced with all the wrenching alternatives that gave rise first to the elaboration of the economic reform and then to its abandonment.

Up to now, Brezhnev has proven himself a master at postponing the most difficult choices. During this year, which precedes the twenty-fifth congress of the Communist party of the Soviet Union, we will see whether his mastery can succeed in managing a situation that has become even more difficult.

Was this perhaps the deeper source of his recent illness?

April 1, 1975

## the congress of the hungarian communist party REFORMING THE REFORM

#### by TIBOR SERETI

The eleventh congress of the Hungarian Socialist Workers party), which was held in Budapest March 17-22, 1975, was no exception to the rule that makes such meetings nothing but ritual ceremonies that run along precise protocol guidelines instead of real working meetings. The few surprises did not come from the 800-odd delegates present (whose role remained strictly passive: applauding at the appropriate moments and delivering occasional 3to-5 minute speeches) nor from the several dozen foreign guests (among them Brezhnev, who was making his first public appearance in several months). On the other hand, there was much talk about the new seating arrangements around the podium, the sort of talk that would be useless were it not for the fact that the absence of information obliged observers to examine the distribution of chairs, just as the entrails of chickens were examined in ancient Rome.

The ritual of such a ceremony, its virtually gratuitous character, is reflected most especially in the manner in which it was prepared. True, the future delegates learned in March 1974 that a congress would be held in March 1975 (although it was necessary to wait until February 1975 to find out the exact date); but they were not able to get hold of the draft resolutions (that is, the very material to be discussed at the congress) until December 1974. In scarcely three months they had to become acquainted with, understand, and supposedly discuss a document that claimed to set the line of the party and the evolution of the whole society during the next five years. Even apart from the usual absence of the minimal material conditions necessary for fostering a discussion (there is no internal bulletin and no public debate; still less do tendencies confront one another with alternative lines), the time set aside for discussion could not but render any discussion purely formal.

Thus, there is no reason to be surprised at the fact that the preparation for the congress was surrounded by the most generalized indifference. In fact, the congress was held only in order to rubber-stamp decisions that had already been made at other levels: the central committee and the political bureau and the various specialized bodies that gravitate around it. The population - including members of the party knows from experience where the real centers of decision-making and power are to be found; they thus areeted the appeals to take part in the discussion, which were reiterated throughout the mass media, with the usual lassitude. Even the siren song of Partelet (the theoretical journal of the central committee), which affirmed, uncharacteristically, that the proposed resolution could be amended by the rank and file, did not succeed in breaking through this indifference. Does this mean that there is no question capable of provoking discussion and division within the Hungarian CP today? Just the opposite. Such questions were not discussed at the congress, but there were traces of them in the documents that were submitted to the congress, and one has only to read the political resolution to clearly see all the problems Hungary faces in 1975.

#### The problems

Economic problems and the necessity of increasing productivity are incontestably among the most burning of these problems. For the bureaucrats, the problem can be formulated quite simply: In a country in which official propaganda asserts that the working class holds power but in which every day's experience proves exactly the opposite, how can this working class be made to work when it is known that it is impossible to count on the enthusiasm of the workers, and is sometimes necessary to count on their outright hostility? The bureaucrats' response

#### HUNGARY

to this question has been the economic reform. Introduced on January 1, 1968, its objective was to increase the volume and quality of production by instituting an economic mechanism under which profit plays an indicative role as much as a stimulating role. For the factory managers, the highly skilled technicians, the farmers, and certain socioprofessional layers (doctors, small artisans, and private traders), the reform represented a financial windfall; for the working class, which according to official statistics represents nearly 60 percent of the population, the new economic mechanism meant price increases(1), social services of lesser quality(2), and direct threats against gains won previously(3).

In an atmosphere of accelerated wage and social differentiation, the working class was not long in making heard its murmur of discontent, to such an extent that in November 1972, less than four years after the introduction of the reform, the central committee of the CP was compelled to take certain measures to slow down the reform. Two years later, in March 1974, this tendency was accentuated by some significant personnel changes, as convenient scapegoats were selected. As expected, the recent congress ratified the verdict of the central committee; two of the major initiators of the reform, Nyers and Feher, were not reelected to the political bureau.

Does this mean that the reform has been abandoned? Certainly not; for those who opposed the reform either at the congress (timidly) or in the central committee (more vigorously) were possessed only of nostalgia for the past and not of a real alternative policy. To abandon the economic reform today would mean alienating those who profited from it; at the same time it would not guarantee the winning over of the working class, to which the critics of the reform are currently directing their demagogy. Apart from the fact that the party itself is heavily permeated with these "profiteers," who will defend their privileges with determination, the working class has no confidence in those who are stigmatizing these profiteers today.

In fact, there are only a limited number of ways to organize production. Either production will be overseen by the power of workers councils, which is the perspective neither of the "reformers" nor of their adversaries, or the bureaucracy will control production, and a mechanism of coercion is thus necessary. The "reformers" believed that it would be more effective if this mechanism were an impersonal one of economic interest; their opponents, the "conservatives," who are more sensitive to the unrest that this policy entails, undoubtedly prefer the older methods: rigorous control of production and society, sprinkled with a bit of egalitarianism and a dash of Stakhanovism. This policy has already proven a failure, particularly in Budapest in 1956. It is this heavy burden of the past that fundamentally explains the victory of the "reformers" over the "conservatives," even if in order to achieve this victory the former made concessions to the anxieties of the latter, abandoning two of their most prestigous representatives. Moreover, the scenario can be expected to continue in both camps, an indication of a deep division that will lead to an intense clique struggle within the top bureaucracy of the party. Katona, editor-inchief of Nepzabadsag, the CP daily, predicted just this sort of fratricidal battle when, in an article published November 7, 1974, he warned party members not to demand during the preparatory discussion for the congress that heads roll or that there be many excommunications. Kadar, who owes his reelection to the post of general secretary to the support of the Soviet bureaucracy, will have a lot of trouble preventing this guerrilla warfare from breaking out into open warfare.

Everything indicates that the policy of "reform in the reform" advocated by Kadar - that is, the policy of economic reform stripped of its youthful enthusiasm and some of its features that are less defensible in the eyes of the workers(4) - will not be capable of dealing with the impending dangers. These dangers are first of all external ones, for what is involved here is the repercussions on Hungary on the one hand of the capitalist economic crisis and inflation and on the other hand of the increase in the prices of Soviet energy sources and raw materials. In fact, foreign trade plays a top level role in the Hungarian economy; more than 40 percent of the national income derives from it. Of this total, 30 percent consists of transactions with capitalist countries. The strong inflation racking these countries forces the Hungarian state to pump subsidies into state enterprises so that they can make purchases in the West. In 1973 the Hungarian state spent 5,000 million forint in subsidies to counter the effects of inflation. (5) It is estimated that 24,000 million forint will be needed to compensate for the 1974 deficit, and no one has dared to advance a figure for 1975. Whatever it may amount to, this money will be missed in other sectors, whether in financing new productive investments or in paying for social services. The problem is to figure out what effects such changes in the prices of production will have on consumer prices.

#### The political choice

The bureaucracy will have to confront a clear political choice, a choice between the economic orthodoxy of the reform, which would require that the increase of prices of production be passed on to consumer prices, and the workers discontent that this could generate. This is a choice that will once again oppose "conservatives" to "reformers," with all the risks of political instability that this implies. The sharp increase in the price of Soviet oil and raw materials raises the same sort of problem. Of course, the price of Soviet oil — which has gone from 16 rubles a ton to 37 rubles a ton (around US\$50) — is still lower than the world market price, just as the price increase of all Soviet raw materials and energy sources (52 percent on the average) is still less than the increase that has occurred on the capitalist market. But what is important is that this involves increases that had not been foreseen by Hungarian planners, who will now have to find some way to pay for these new expenses.(6)

It can be safely asserted that this task will not be made any easier by the extreme sensitivity Hungarian workers have manifested on the question of prices. At the very least, signs of nervousness are appearing here and there. For instance, Radio Budapest has admitted that a real atmosphere of panic reigned in the capital during December 1974; this was accompanied by a run on the stores as people tried to amass precautionary stocks of goods. The cause of this was a rumor making the rounds of the city that the new year would bring a sharp wave of price increases. Movements of this breadth testify eloquently to the skepticism that is widespread among the population. The youth are certainly not immune to such feelings, and it is from that source that the coming difficulties for the bureaucrats could come. The bureaucrats seem to have understood this, for the congress added the first secretary of the Union of Communist Youth to the party political bureau in order to heighten the party's control over the youth. Concurrently, a campaign has been under way during the past several months to regain a grip over the youth clubs; the results have been uneven. Finally, a general toughening attitude toward intellectual and artistic circles can be noted, accompanied sometimes by judicial action, especially against the Marxist left. After the trial of Haraszti, author of a book reporting on the working conditions of the Hungarian working class that had too much the ring of truth(7), police attention was turned toward the sociologist Ferenc Feher, and then toward the sociologists and authors Konrad, Szentjoby, and Szelenyi, who were arrested and held for several days for no reason; they were finally freed, but were banned from publishing anything in Hungary.

From the podium of the congress Valeria Benke, the only waman on the political bureau, tried to justify prosecution of all those who fish in "the troubled waters of revisionism and ultraleftism, or other less clear currents." Such warnings, which have tended to multiply since 1973, have a symbolic value. They testify to the leaders' lack of great security in face of the new situation that has developed after the period during which the Hungarian bureaucrats vaunted their own "liberalism." Nearly twenty years after the Budapest uprising, it could be that there will again be talk of Hungary in terms other than those of history.

April 8, 1975

#### Footnotes:

1. While they have not been comparable to the price increases in the capitalist countries (far from it), the increases in Hungary have nonetheless been significant, especially for the workers whose wages have grown least rapidly during the past several years. Official Hungarian statistics foresee price increases of 3.6% for 1975; they predicted increases of 2-2.4% for 1974. In 1973 the official price increase was 3%. It appears that the actual increase in the cost of living is higher than that. For one thing, it varies according to what product is being considered, which allows the regime to arrive at an average that conceals the real instances of increase. Generally speaking, the tendency is this: articles of high quality increase in price strongly, while articles of similar character but lesser quality remain stable or even decline in price. Thus, in 1974 a "pure wool" suit went up 10%, while its "synthetic" counterpart fell 10%. It was thus possible to state that the price of suits remained stable.

2. From housing to medical care, everything has become both more difficult to get and more expensive. In Budapest it is nearly impossible to find housing without buying a house, which represents 10-15 years' wages for a worker. A risky business. While medical care is free, quality medical care is far from free: To go to the public dental clinic is considered virtually equivalent to going to get your teeth pulled out. Those are some of the results of a policy that has enabled doctors to concentrate on their private clientele to the detriment of their public clientele.

3. There is no unemployment in Hungary. The shortage of labor is responsible for this. But the authorities had coldly envisaged introducing unemployment in order to create a mobile labor force, which would have stimulated the quality of the workers' services. For instance, Nyers, the person most responsible for the economic reform, stated in an interview with Le Monde on September 7, 1971: "In certain sectors it will be necessary to give priority to production over employment. It could thus happen that the justified aspirations of the factories aiming at employing a smaller work force might find themselves in contradiction with social demands."

4. It was thus that the resolution of the congress, while recognizing the legitimacy of the private possession of certain goods (automobiles, houses, plots of land, etc.), nevertheless felt compelled to raise its voice against "the accumulation of goods that are not the result of labor." That is to recognize — and how strikingly! — the development of various instances of speculation. Hence, the economic reform has given rise to a privileged layer whose opulence contrasts strongly with the modesty of the wage workers. It is this aspect of the reform that Kadar wants to eliminate; he is dealing once again with consequences rather than with causes. 5. The "tourist" rate of exchange gives 20.44 forint for US\$1.

6. The building of socialism is not so easy either in a single country or throughout all the East European countries. Once again, the pressure of the international capitalist market is having effects within the countries of the East, which some people had claimed would be an island of sanctuary. These effects are not of the same scope for all countries: while the USSR, which commands an abundance of raw materials, is resisting well, Hungary, which is totally deprived of raw materials, has been strongly affected. For more details on this problem, see the article by Ted Harding in INPRECOR, No.16-17, January 16, 1975.

 "Piece Work, " by Miklos Haraszti, is banned in Hungary. A German translation has just appeared ("Stücklohn," Rotbuch Verlag, Berlin) and a French translation is in preparation.



## 15A 60,000 WORKERS MARCH FOR JOBS

About 60,000 workers participated in a "Rally for Jobs Now" in Washington April 26. The demonstrators marched along a two-mile route from the Capitol to Kennedy Stadium, where the rally was held.

The demonstration had been initiated by a group of unions in the New York City area, particularly the American Federation of State, County, and Municipal Workers (AFSCME). It was sponsored by the Industrial Union Department of the AFL-CIO. (See INPRECOR, No. 23, April 10, 1975.)

More than half the demonstration was made up of workers from the greater New York City area, District 37 of AFSCME mobilizing the largest contingent. Other large contingents came from the International Union of Electrical Workers, District 1199 of the Hospital and Health Care Employees in New York, District 65 of the Distributive Workers of America, the United Federation of Teachers, the Amalgamated Clothing Workers, the United Auto Workers, and the United Steelworkers of America. At least half of the demonstrators were women, a reflection of women's increased role in the U.S. labor movement. As many as one-third of the participants were Blacks, the sector of the work force that has been hardest hit by unemployment. (Unemployment of Blacks is estimated to be more than 20%; among Black youth it is more than 30%.)

An AFL-CIO statement distributed at the rally enumerated the labor bureaucracy's "program" for dealing with the deteriorating living standards of the American working class: full employment through measures like public works projects, expansion of mass transportation, "genuine" tax reform, lower interest rates, and a national health insurance program; also included was the chauvinist demand for restrictions on "low-wage imports," a reference to the import of inexpensive consumer products, mostly from Asia.

Many of the demonstrators, however, raised more militant slogans, most of them variations on the theme of "jobs for all." The Puerto Rican Socialist party, a far-left organization based in both Puerto Rico and the United States, carried banners denouncing attacks on "illegal aliens." Some of the unions, notably District Council 37 of the Distributive Workers and Local 1199 of the Hospital Workers, carried slogans opposing U.S. aid to the Thieu government, which was still hanging on at the time of the rally. The speakers at the rally consisted solely of labor bureaucrats and dignitaries from the Democratic party, a fact that was not especially appreciated by many of the demonstrators. The chairman's introduction of the war criminal Hubert Humphrey, Lyndon Johnson's vice-president, as a "friend of labor" was widely greeted by boos and catcalls. In fact, Humphrey never did get a chance to speak. Just before he was introduced, some young people began to move onto the stadium field. The crowd soon swelled to the hundreds and converged on the unprotected speakers' platform, heckling the invited "guests." The rally then dissolved into confusion and was declared ended by the labor bureaucrats in charge. It had lasted less than one hour.

The disorganization of the rally reflected both the positive and the negative features of the action in general. The large turnout, its overwhelmingly proletarian composition (with the heavy representation of Blacks and women), and the determined mood of the participants marked a big step forward for the labor movement as a whole. The April 26 demonstration was the first antigovernment political action organized on a national scale by the trade unions in decades. It thus represented the beginning of a turn in the American political situation, the beginning of warking-class action beyond the level of the individual factory in defense of living standards.

On the other hand, the right-wing character of the

#### cont'd. from pg. 32.

tionary Marxist Group), sympathizing organization of the Fourth International in Québec. This well organized and militant contingent became a pole of attraction for many women who are rapidly becoming politicized. This is the fruit of an independent women's movement, a new factor in the political scene in Québec, which has been developing for several months.

Another important feature was the scope of the mobilization of the far-left groups. The main contingents were formed by the Maoist groups En Lutte (In Struggle), Parti Communiste Canadien (M-L) (Canadian Communist party, Marxist-Leninist), and the Mouvement Révolutionnaire des Etudiants du Québec (Revolutionary Movement of Students of Québec), as well as the Groupe Marxiste Révolutionnaire. Also present were the Ligue Socialiste Ouvrière (Socialist Workers League, part of the LSA/LSO, Canadian section of the Fourth International), the Communist party, and various immigrant groups (Haitians, Chileans, Spaniards).

official program and the composition of the speakers' list reflected the present incapacity and unwillingness of the American trade-union bureaucracy even to develop its own political vehicles, let alone genuinely defend the interests of the class. The rally was called by sections of the bureaucracy essentially because of the anger of the rank and file at the current recession, which is generating heavy pressure on union officialdom to do something. The inaction of the American trade-union leadership in face of the present attack on the living standards of the workers has been absolutely unique in the major imperialist countries. Some sections of the bureaucracy are now becoming afraid both of a spontaneous response by the rank and file that could escape their control and of potential threats to their own positions of privilege, which depend to some extent on the rank-and-file workers' viewing the trade unions as useful instruments with which to defend themselves. This sentiment, however, is not at all unanimous. George Meany, the head of the AFL-CIO, who boasts that he has never walked a picket line in his more than eighty years, was invited to speak at the rally and refused.

April 26 represented a beginning of organized working-class response to the recession in the United States. It heralds the potential that exists for much broader action, and there is little doubt that future actions of its type will be even more difficult for the labor bureaucracy to control.

The assembly at Paul Sauvé Center, attended by nearly 10,000 demonstrators, began with a moment of silence in honor of the martyrs of the Vietnamese revolution. But the assembly had been poorly organized by the trade-union leaders, and it soon degenerated into a picnic, concrete perspectives being lost in torrents of beer.

While the FTQ and the CSN made security on the job their central May Day theme, the CEQ used the occasion to produce and distribute several thousand copies of its "May 1 Manual," which is designed to transform the traditional courses into denunciations of capitalist education. The theme was: "For a day in the service of the working class."

As a whole, the May 1 workers demonstrations in Québec showed that the Québécois proletariat stands in the vanguard of strugglé in North America. However, only the internationalist solidarity of all North American revolutionaries will be able to prevent the isolation of the Québécois revolution and to protect the gains of the revolution throughout the continent.

## MAY DAY ACTIONS IN QUEBEC

Québec was the only country on the North American continent where there were mass demonstrations of the working class on May Day. For the third year in a row, the Québec union federations called for the organization of big street demonstrations.

In fact, it was only in May 1973 that the Québécois workers joined the rest of the world workers movement in celebrating May 1, which until then had been considered a "Communist" holiday. The aim of the demonstrations that year was clear: to free the leaders of the three trade-union federations who had been imprisoned by the Bourassa government after the general strike of May 1972. Shortly after that demonstration, the Québécois government released the three prisoners.

The following year the workers movement launched the battle for indexation (the sliding scale of wages), which was the theme of the May 1, 1974, demonstrations. That battle ended in a partial defeat for the working class; labor contracts compensating the workers for the rising cost of living were rare.

This year, because of some particularly spectacular accidents in chemical and metallurgical plants and in the construction industry, and especially because of the strike of the asbestos miners, who are struggling for better hygienic conditions on the job, the leaderships of the union federations decided to call for May Day demonstrations around the theme of security on the job.

Many workers went on strike May 1, along with other workers who had already been on strike such as the stevedores, postal workers, and asbestas miners. In Montréal there were many work stoppages in the cardboard industry and in some hospitals and metal factories. The students and professors of several CEGEPs (Collège d'Enseignement Général et Professionnel, vocational schools) and secondary schools stayed away from class to march through the city and join the central demonstration.

The mobilization was also large outside Montréal. In the Joliette region 15,000 workers left their factories and offices. In Québec city 2,000 workers of the Lauzon naval shipyards, in Trois Rivières 1,000 textile workers of the Wabasso factory, and in Thetford the asbestos miners celebrated the international workers holiday with strikes and street demonstrations.

This springtime renewal of the workers mobilizations coincided with the emergence of new regional trade-union common fronts among the Fédération des Travailleurs du Québec (FTQ—Federation of Workers of Québec), the Confédération des Syndicats Nationaux (CSN—Confederation of National Trade Unions), and the Centrale de l'Enseignement du Québec (CEQ—the Québec teachers federation). This was especially the case in Sainte Thérèse, Joliette, and Trois Rivières.

The central demonstration in Montréal was attended by nearly 15,000 people, who marched from Molson Park to Paul Sauvé Center in the eastern part of the city, where the demonstration ended with an interunion rally. In spite of the weak efforts made by the union leadership to mobilize the members, many contingents of workers were present: the stevedores on illegal strike in the port of Montréal, the postal workers, the workers of United Aircraft (an airplane engine factory that has been on strike since December 1973), the city bus and subway workers, and the workers of the Southwest, centered around the strikers of the Coleco factory.

For the first time, there was an independent contingent of several hundred women in the demonstration, in response to the call of fourteen organizations, among them the Conseil du Travail de Montréal (Montréal Labor Council), the FTQ, the CEQ, and the Groupe Marxiste Révolutionnaire (Revolucont'd, on pg. 31.

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