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Blackpool—The Choice Before Labour

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Editor: Alan Woods

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Editorial

The miners, the TUC and 'New Realism'

THIS YEAR'S TUC Conference put the official stamp on the demise of the badly misnamed 'New Realism', which only twelve months earlier was being trumpeted by the right wing as the only viable policy for the labour movement.

The enthusiastic reception given by the delegates to Arthur Scargill, reflecting widespread support for the miners' cause, forced the right wing—with the exception of the hard core of arrogant, know-nothing backwoodsmen like Hammond and Lyons and Sirs—to fall into line.

This was a complete reversal of last year's TUC—a reversal which the Marxist tendency represented by Militant and the MIR was alone in predicting.

People like Bill Sirs have long ago given up all thought of changing society. Imagining themselves to be great 'realists', they are, in practice, the blindest of utopians. They do not understand even the most elementary truth; that if the mining industry is decimated, the steel industry will be next for a further avalanche of closures and redundancies. If the miners go down to defeat, that would be the signal for an all-out attack on all sections of the working class. If, at the end of the day, Ravenscraig and Llanwern are saved, that will be no thanks to Sirs and the other Neanderthal men of the TUC right, but thanks to the heroic struggle waged by the miners.

The more intelligent right wing trade union leaders have dimly begun to understand just this. The miners' strike has marked an entirely new stage in the development of the class struggle, not on-

ly in Britain, but internationally. This year's TUC represented a shift to the left. But the mood of the TUC was only a pale reflection of the underlying trend of radicalisation among the rank-and-file activists.

In spite of the unprecedented campaign in the mass media, the so-called "back to work movement" was a miserable flop. The government and the Coal Board know that, as the Autumn relentlessly advances, the prospects of an all-out victory for the miners—even without decisive action by other sections—becomes an ever-increasing possibility. The mood in the striking areas is absolutely solid.

The headlines in the press, highlighting the return to work of a handful of scabs only served to reveal desperation. In the event, they had the opposite effect to that intended, provoking a massive increase in the number of miners involved in picketing. Now, with the advent of cold weather, the possibility of power cuts and the gradual shut-down of industry begins to loom large in the calculations of the ruling class.

At the time of writing, the outcome of the strike is still undecided. The possibility exists, despite the public bravado of the government and the Coal Board, of some kind of compromise settlement being put forward, which would, in practice, concede most of the miners' points.

On the other hand, it cannot be excluded that Thatcher will dig in her heels and attempt to "slog it out". If that is the case, all hell could break out this Winter, with a situation similar to that of the "three-day week" period under the Heath government.

Whatever the outcome, there is precious little comfort for the ruling class. An outright defeat for the miners is ruled out. Even a botched "compromise" would, in effect, be similar to the "compromise" over Liverpool, which represented a 90% victory for the Council and a humiliating set-back for the Tories. If the dispute drags on into the Winter, the possibility of an



Len Murray: One year later his policy of "New Realism" lies in ruins.
Photo: Dave Sinclair.

outright victory for the miners could be on the cards. Either of these two variants would mark the beginning of the end of Thatcher's dominance in the Tory Party.

There are certain moments in history when fundamental changes are taking place in society but are not always clearly visible to the masses, to governments or leaders. The miners' strike in Britain represents just such an historic watershed for the trade unions and the Labour Party.

Faced with the upturn of militancy, the right wing feels itself embattled on both the political and industrial fronts. But nobody should imagine that the right will give up without a struggle. And nowhere is this fact more clearly illustrated than in the Labour Party.

One section of the Labour right has already gone over openly to the camp of the enemy. The SDP—so beloved of Hobsbawm and his friends—now stands well to the right of the Liberals. Yet not so long ago, Owen, Rogers, Williams and Jenkins were the darlings of the Labour right, and many within the

Party leadership still secretly nourish hopes of attracting these renegades back "into the fold", while viciously persecuting and expelling supporters of *Militant*.

In reality, the split-off of the SDP represented only one branch of a dual tactic. Healey, Hattersley and the rest have stayed behind to carry on the dirty work from within. Unfortunately, Neil Kinnock has now openly thrown in his lot with the right.

Those who shouted the loudest about "unity" have done most to undermine the unity of the Labour Party, rubbing salt into all the old wounds by re-opening the controversy on re-selection.

The idea has been falsely put forward that the so-called "one-man-one-vote" option is somehow more democratic than the present system. What are the facts?

Under the present system, every Party member has the right to come along to his or her branch meeting, listen to the argument, ask questions, participate democratically in the discussion, and, finally, to mandate the delegates who will eventually vote on the issue.



Mobilisation of activists by the Broad Left Organising Committee to lobby TUC Conference in support of the miners.
Photo: Dave Sinclair.

The system proposed by the right—with the support of Neil Kinnock—would open a Pandora's box of rigged elections, graveyard votes and Tammany Hall tactics which would permit the most blatant and direct interference of the press and TV in the internal affairs of the Labour Party. Democratic discussion at branch level would be replaced by "voting cattle", with little or no idea of the real issues involved.

We would remind these "democratic" ladies and gentlemen that, in a general or local election, only invalids are allowed to vote by post. In order to vote, you have at least to go to the polls. Yet Labour Party members are not supposed to be capable of making the effort to go to their branch to express an opinion! This is a blatant attempt to dissolve the Labour Party into the Labour electorate, with fatal consequences for Labour as a party.

In reality, the appeals of the right wing to "democracy" are entirely hypocritical. In the past, these same MPs were quite con-

tent to base themselves on "rotten boroughs" of badly attended unrepresentative GMCs, which guaranteed them comfortable, well-paid jobs for life. Only now, when the rank-and-file is beginning to fight to make the leadership accountable, do these ladies and gentlemen begin to complain.

Supporters of *Militant* have been in the forefront of the fight for internal democracy and socialist policies in the Labour Party and the trade unions. That is why the right wing has waged a hysterical campaign in favour of the witch-hunting and expulsions of Marxists from the Labour Party. They would like to wreck the Labour Party before finally moving over to join their friends in the SDP.

Unfortunately, these manoeuvres of the Labour right have not been seriously countered by the *Tribune* left. There is even talk about watering down the socialist content of Clause IV and abandoning the idea of nationalisation in favour of some amorphous formula of "control". This backsliding must be firmly resisted. The Marxists

who support the *Militant* and MIR will not accept without a fight the abandonment of the socialist aims of the Labour Party. Irrespective of what the *Tribune* does, the big majority of class conscious Labour workers will support the fight waged by *Militant* to transform the Labour Party into a fighting instrument to change society.

The events of the last year, in particular the magnificent miners' strike, have begun to transform the psychology of large numbers of the most active workers in the trade unions and the Labour Party. Beginning with the miners—the salt of the earth—there is a growing realisation that, on the basis of capitalism, the workers and their families have no future except poverty, unemployment and degradation. To use the phrase of Thatcher: "There is no alternative"—except to fight with all the power of organised Labour against an unjust and oppressive system. **There is no alternative but the struggle for socialism. That is the genuine New Realism which is being born out of struggle. It is the only road which offer real hope of success.**

The choice before the Labour Party

By Lynn Walsh

THE OUTCOME of the miners' strike will be an issue of over-riding importance for this year's annual Labour Party conference. The preliminary agenda includes over two dozen resolutions on the strike, particularly condemning the brutal tactics being used by the police on Thatcher's orders. Two other issues which feature prominently are the coming battle in local government against the government's "rate-capping" measures and the fight against the cuts now devastating the National Health Service. At the same time, however, delegates to conference will be weighing up the balance sheet of the year since Neil Kinnock's election as Party leader. There will be massive rank-and-file opposition to the attempts by the leadership of the Parliamentary Party to swing the party back to the right, particularly on economic policy, and to undermine the existing procedure for the re-selection of MPs, due to be set in motion again at the beginning of 1985.

There can be few Labour Party members who fail to recognise the significance of the miners' struggle and the importance for the whole labour movement of their winning a decisive victory. There was overwhelming support for the National Executive's call, moved by the Young Socialists' representative Steve Morgan, for a 50p a week levy in support of the miners. Although this has not been organised from Party headquarters, many Labour Party members have been involved in demonstrations, days of action, and have been collecting money and food to sustain the miners.

There is enormous anger in the Party, however, at the leadership's failure to give unequivocal support to the NUM, and especially at criticism of the strike from Peter Shore, Roy Hattersley, and more guardedly from Neil Kinnock. The strike was several weeks old before Neil Kinnock came out clearly in support. Even then, this support was tempered by public criticism. The *Daily Mirror* head-lined Kinnock's statements in support of a ballot, which had become the slogan of the right wing of the NUM, of right wingers in the TUC like Chapple and Duffy, and predictably of the capitalist press. The Shadow Cabinet was slow, to say the least, even in using its allocation of Parliamentary time to debate the issue of the strike. While criticising the unprecedented para-military tactics of the police, evidently planned and organised nationally from the very beginning, spokesmen like Hattersley and Shore have appeared far more concerned to condemn the violence of pickets. They are blind to the fact that in the all-out class war provoked by Thatcher, the only way to avoid violent conflict on the picket lines is to come out in favour of the TUC, the trade unions, and the Labour Party itself mobilising decisive support from the ranks of the labour movement in order to secure a rapid victory for the miners. With growing demands from trade unionists for the TUC to call a 24-hour general strike in support of the NUM, Kinnock actually attempted to cut across this, claiming that "this is not the way British trade unionism works". Not only is Neil's knowledge of work-

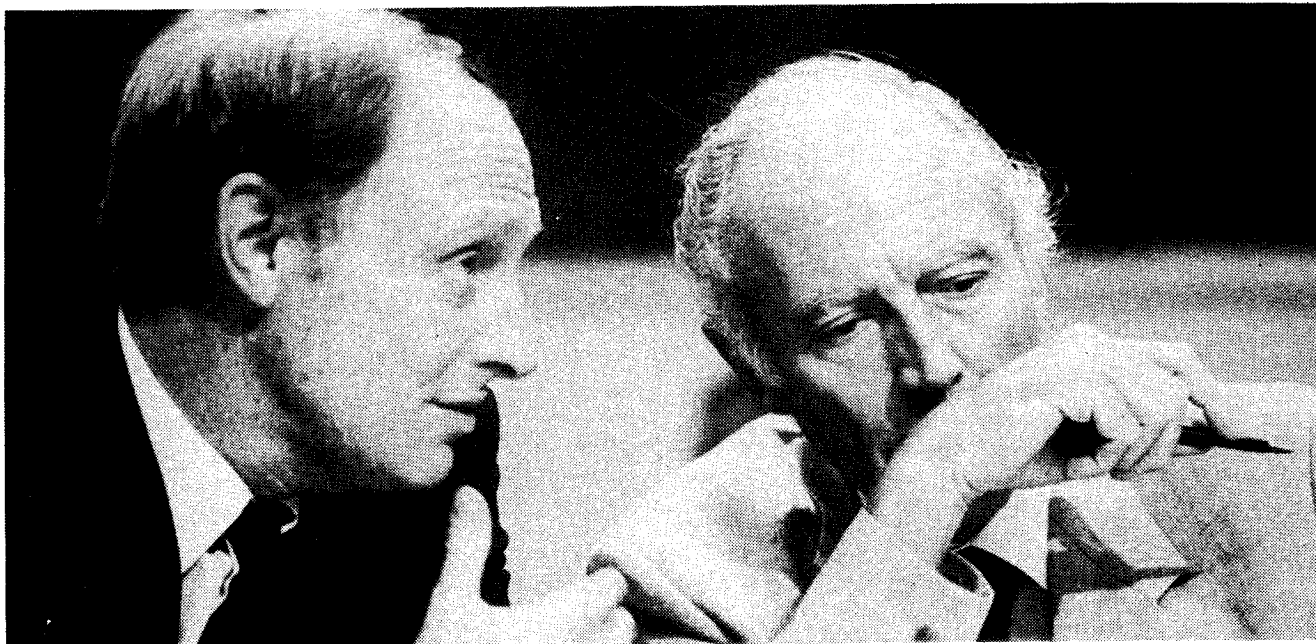
ing class history limited, but he attempted to short-circuit the arguments for general strike action to demonstrate the strength of the movement and prepare for further action by glibly dismissing them as "the big bang theory".

Instead, the leadership of the Shadow Cabinet, through Stan Orme MP, have acted as a broker for the terms of the National Coal Board—desperately attempting behind the scenes to persuade the NUM leadership to settle the strike on what they consider to be the favourable terms of the NCB. This stance reflects the view, evidently made clear in off-the-record briefings from Kinnock's advisors to the press, that the miners' strike will be harmful to Labour's electoral prospects. Do they imagine that defeat for the miners would improve Labour's prospects? In any case, even if their pessimistic assessment were true, what kind of Labour leaders are they who will support workers' struggles only when they are "popular" or when they are guaranteed in advance to produce electoral success?

However, recent events have refuted the Shadow Cabinet's viewpoint. During the strike Labour has made gains in Parliamentary by-elections, in the local elections in May, and also in the Euro-elections. This development was admitted by Roy Hattersley in his regular column for the *Wall Street Journal* (26 June), a paper, of course, not read by many Labour Party members: "Yet during the 15 weeks of the strike Labour has inched up in the opinion polls and actually become the most popular Party for the first time since the Falklands campaign".

Despite a massive media campaign of denunciation and personal vilification, Tony Benn, who has boldly supported the miners (and more recently supported the call for a general strike in support of the NUM), won a resounding victory in the Chesterfield by-election. Although they were systematically played down by the press, which might be expected, Labour made big gains in the local council elections, with the Tories losing overall control even in "true-blue" areas like Cheltenham, Eastbourne, and other parts of the South East. The most significant feature of the local election results, moreover, was that Labour made the biggest gains where the left is strongest, for instance in Manchester and above all in Liverpool. And, notwithstanding, working class voters' marked lack of interest in the EEC, Labour also chalked up gains in the June Euro-elections, winning 14 additional seats.

From the indications that a series of strikes during the so-called "Winter of Discontent" in 1978-79 helped to undermine the position of the Callaghan government, Kinnock and co-thinkers have drawn the entirely false conclusion that strikes always inevitably damage Labour's prospects. However, strikes damage Labour governments because they are a symptom of Labour's failure to solve the problems facing workers. Under Tory governments it is a different question. Industrial struggles against the bosses and their Tory representatives arouse the sympathy of the class, rally workers towards the labour movement, and raise the level of class-consciousness and militancy amongst wide layers of the workers. The miners' action has drawn on huge reservoirs of class sympathy, and among the advanced



Under pressure of Labour's right and the Tory press, Neil Kinnock has re-opened the battle of re-selection.
Photo: Dave Sinclair.

workers it has re-awakened the feeling that it is possible to struggle and to force Thatcher and her big-business backers to retreat. This is why the strike has brought a significant turn towards Labour in recent elections and even in the opinion polls sponsored by the capitalist press, one poll giving Labour a 3% lead in mid-August.

Undoubtedly it is true that Labour should have made far bigger gains given the situation facing most workers, with mass unemployment and a continuous driving down of living standards. From the point of view of using parliament as a platform to expose the Government and rally support to Labour, the shadow cabinet should have been far more effective, particularly given the splits and crises which have riven the Tory leadership since Thatcher's "landslide" last year. Labour would have won sweeping victories in recent elections, hammering the Tories and obliterating support for the Liberal-SDP Alliance, if the Labour leaders had put forward a bold alternative and mobilised the Party and its support amongst trade unionists in mass campaigning activity.

This is demonstrated by the success of the magnificent struggle of Liverpool's Labour Council against Tory cuts. On this issue too, the Labour leadership through its local government spokesmen John Cunningham and Jack Straw, advised Liverpool Council to call off the struggle and accept terms which would have meant a 60% rate increase and massive job losses and cuts. To the workers of Liverpool who participated in an unprecedented local campaign of demonstrations, public meetings, and industrial action, Neil Kinnock could offer only "train-loads of sympathy"—advising them in practice to capitulate to Jenkin's threats. Liverpool could not win a struggle and would alienate support from Labour—this was evidently Kinnock's thinking. However, Liverpool smashed the Liberals and Tories in the local elections, gaining additional seats on the Council. In the light of this mass endorsement of the Council's policy at the polls, and forced to recognise that the Council would be backed by massive industrial action, Jenkin caved in and offered Liverpool concessions which will allow the Council to implement about 80% of its programme. Labour workers in other cities

faced with similar problems are now demanding to know when their councillors will be taking "the Liverpool road".

The present rightward course of the Labour leadership, which will have disastrous consequences for the movement unless it is reversed, stems from the failure of Kinnock and the "new left" to understand the real reasons for Labour's defeat last year. It is ironic indeed that they should still cling to the thesis of Eric Hobsbawm, a prominent theorist of the Communist Party and a veritable Professor of Pessimism who acts as a kind of psychotherapist for despondent Labour leaders. His explanation for Labour's defeat, which was avidly republished by *The Guardian*, was that the working class has swung to the right, that "upwardly mobile" sections of salaried workers have moved away from the labour movement, and that sympathy for socialism has been submerged in an upsurge of ideological support for Thatcherism. Yet in his recent book, the dissident Tory ex-Minister Frances Pym admits that Thatcher's "landslide", a 144 seat majority based on a reduced share of the vote over 1979, was the result of the special conditions which prevailed immediately after the Falklands War. As he put it, a "true verdict" was never delivered on the Tory government. Pym's explanation leaves aside, of course, the failure of the Labour leaders to argue the case for the radical policies of the manifesto, the open attacks on Party policy from prominent ex-Ministers like Callaghan and Healy, and the failure of the Party to organise an effective election campaign. But the open opposition of Pym, Heath, Gilmour, and other prominent Tory "wets" reflects the underlying weakness of the Thatcher government. For a government which won a landslide victory—as professor Hobsbawm would have it—on the basis of a swing to the right in society and a profound upsurge in ideological support for conservatism, Thatcher's government has taken an inexplicable battering. Even the right-wing capitalist *Economist* (7 July), which once fervently supported Thatcher, confessed that her "second government is stepping up to become Britain's most inept since the war." Protests at the banning of trade unions at GCHQ, massive opposition to the at-

tempt to abolish the GLC and next year's GLC elections, and above all her failure to win a quick and easy victory over the miners, have undermined support for the government even in the South and South East, as the Tory defeat in Portsmouth South showed. These developments, for anyone whose mind is not clouded by professor Hobsbawm's notions, confirm *Militant's* analysis: that Thatcher's 1983 victory was just a "moment" in the class struggle, and it in no way altered the underlying balance of class forces in society, which are still overwhelmingly weighted in favour of the working class. What is lacking is a leadership of the labour movement prepared to take a bold stand on the interests of the working class and to give a lead with socialist policies.

While the class has begun to move against the Tory government, and the miners have demonstrated the enormous class determination and tenacity of the workers once they swing into action, the Labour leadership under the aegis of Kinnock, whose election as leader many workers welcomed under the impression that it would consolidate Labour's swing to the left, has moved sharply back towards the right. In elections for the shadow cabinet, the PLP gave 9 of the 15 places to out-and-out right-wingers. The "balance" of the front bench is tilted decidedly to the right, with the "old right" like Shore, Healy, Silkin, Hattersley and Kaufman taking key positions, backed up by younger right-wingers like Radice, Cunningham and Straw. The witch-hunt against *Militant*, which Jim Mortimer, the General Secretary, assured last year's conference would be ended after the expulsion of the five members of the Editorial Board, has been continued with the expulsion of six *Militant* supporters in Blackburn, a *Militant* supporter in the Rhondda, and moves against *Militant* supporters and other left wingers in a number of constituency parties. This has gone hand in hand with moves by the leadership of the Parliamentary Labour Party to bury Labour's radical policies and to undermine democratic mandatory re-selection of MPs.

Right ignores conference decisions

LAST OCTOBER many Labour Party members welcomed the election of the "dream ticket" of Kinnock and Hattersley as leader and deputy leader believing that it would end the turmoil within the party. The mood after Labour's election defeat was overwhelmingly in favour of unity, but unity on the basis of the reforms and policies endorsed by a big majority of the party at recent annual conferences. From the word go, however, the new leadership set about reviving the failed policies of the old right-wing leadership. In the name of rejecting "ideology" and "vanguardism", and of generally "refining" the Party's policy, Kinnock even hinted at the need to loosen the links with the trade unions, the working class base of the party, and at abandoning the Party's commitment to nationalisation embodied in Clause IV, part 4, of the Party's constitution. In other words, the "new left" turns out to be the old right in a new guise, with Neil Kinnock following in the footsteps of past leaders like Attlee, Wilson and Foot, who rose on the left but led from the right.

In the period after Labour's conference, Kinnock's tactic appeared to be to avoid as far as possible any discussion of policy, despite the fact that the Tory government



Hattersley—would give support to an incomes policy in the next Labour government.

was being shaken by one crisis and scandal after another, and workers were turning back towards Labour for an alternative. Even some of Kinnock's trendy advisers now admit that they went too far in persuading him to develop a new "popular image". "If they had their time over again," reported the *Sunday Times* (5 August), "there are many who would try to dissuade Kinnock from performing Tracey Ullman's pop video, or doing Singing in the Rain. 'They were born of an over-hasty scramble to attract young voters,' admits one of Kinnock's kitchen cabinet. 'We were too desperate to get away from the image of 1983.'" Workers were clearly not impressed by these antics, which appear to be modelled on US Presidential-style campaigning rather than seriously taking up the issues facing the working class.

While eschewing public discussion of Labour's policies, however, the leadership of the Parliamentary Party quickly set up a series of study groups of its own, clearly intending to by-pass the National Executive Committee in formulating policies for a future Labour government. All the signs are that, like Harold Wilson in the past, the Kinnock-Hattersley leadership will attempt to ignore conference decisions and decide the contents of Labour's next manifesto for itself.

During the leadership election campaign, Hattersley made it clear that he "would not consider himself to be bound by conference decisions". More recently, he has boldly proclaimed that his "summer sermons" of last year are "no longer heresy". By what he calls a process of "democratic osmosis"—in reality, undemocratic revision—the Party leadership has re-adopted the policies advocated by the right-wing of the Parliamentary Party.

Appointed Shadow Chancellor by Kinnock, Hattersley

set up a "brains trust" which reportedly meets at his room at Westminster on Mondays. The *Financial Times* (14 February) which is clearly much better informed about its deliberations than the Labour Party, reported that this group "consists of three bankers and brokers from the City and five academics (four of whom are professors), all of whom prefer to be anonymous." Undoubtedly, one of the main purposes of these Shadow Cabinet deliberations is to reassure big business that a future Labour government, with Hattersley as Chancellor, would pose no threat to the "mixed economy", i.e. to capitalism.

In a major policy statement, given as a speech to the Ruskin Fellowship Committee on 15 May (published in *Tribune*, 1 July, 1984) Hattersley outlined economic policies for the next Labour government. From within the socialistic verbiage the capitalist commentators were quick to draw out the important points. The next Labour government would adopt an incomes policy. It would increase state expenditure and would consider a "small budget deficit desirable". But Labour ministers, according to Hattersley, would no longer regard "a massive increase in effective demand... (as) a certain and automatic remedy...". There could not be "a dash for growth".

Hattersley has belatedly but correctly come to the conclusion that the Keynesian policies of the post-war period will no longer work in the period of organic capitalist crisis. However, reassurance to big business on this score offers no consolation to workers. In the absence of any proposals for genuine socialist measures to take over ownership and control of the commanding heights of the economy and to introduce socialist planning of production, the Labour leadership is once again in a position of offering reformism without reforms. The statement laboriously explains what a Labour government will not be able to achieve, while conspicuously offering very little in the way of improvements in workers' living standards.

Kinnock himself, on several occasions, has confirmed that this is the approach of the Shadow Cabinet. At the party's Scottish conference in Perth in March, Kinnock revived the old excuse that the last Labour government was defeated because there was a "backwash of over-expectation". Under the next Labour government, he told delegates, "We're not going to be able to say 'yes' to everything". This puts a question mark over all the radical reforms adopted as policy by recent conferences. It is a return to the disastrous line adopted by James Callaghan in the 1979 election campaign. Promise nothing and the workers will not be disappointed when they get nothing. Apparently, the right wing Parliamentary leaders have not woken up to the fact that working people judge Labour governments, not by whether they implement the fine print of the manifesto, but by whether in practice they begin to solve the every-day problems facing workers. Kinnock and the right wing team with which he has surrounded himself are blind to the fact that experience of the crisis, which has deepened sharply since the last Labour government, has forced politically conscious sections of workers to the conclusion that there is no way out within the framework of capitalism: only fundamental socialist policies can provide solutions. But, as now appears customary with Neil, he does not take up the issue but attempts to dismiss it with a glib phrase—as "spray-on socialism". Workers might retort that he is still advocating "elastoplast reformism"—attempting, moreover, to re-use a plaster that long ago lost its stick.

The Party conferences re-affirmed support for radical policies in the conferences which followed the 1979 defeat not simply because delegates, representing party activists, favoured left-wing resolutions. The swing to the left on policy reflected conclusions drawn by wide sections of the working class from the experience of the Wilson-Callaghan government. That the policies of the right wing which dominated that government were a disastrous failure. That the ideas of reformism, given the world-wide crisis of capitalism and the special crisis in Britain, were finished. That there is no way out within the diseased framework of the present system and that only rounded-out socialist policies based on the implementation of Clause IV, part 4, can provide a way out for the working class. These lessons will not be forgotten by the workers, particularly the active members of the trade unions and the party.

"Divine Right of MPs"

UNDER PRESSURE of Labour's right-wing and the capitalist press Neil Kinnock has also reopened the battle over re-selection. He gave backing to a proposal for an optional "one member one vote" ballot on re-selection which was put to the July meeting of the National Executive Committee, and passed by 15 votes to 12. This move is an attempt to safeguard the position of right-wing members of the Parliamentary Labour Party, to "protect" them against re-selection by their General Management Committees. Significantly, the optional ballot will apply to sitting MPs only, not to the selection of candidates generally.

Quite a number of right-wingers would not be sitting in Parliament now if they had been obliged to face re-selection before last year's general election. The postponement of re-selection in many areas, which resulted from the delay in implementing the new constituency boundaries (ineptly and unsuccessfully challenged by Labour's front bench in the High Court), enabled the NEC to impose a re-selection procedure which in most parties effectively ruled out any challenge to the sitting MP. This saved the political bacon of 20 or 30 MPs who long ago lost the political support of their local parties.

Ever since Neil Kinnock became leader, supposedly as a figure who would end the battle within the party, a continuous stream of right-wingers have traipsed through his room at Westminster demanding action to safeguard them against "party activists". A majority of the present shadow cabinet were included among the 70 signatories on a letter to the Party's general secretary calling for a change in the re-selection procedure.

Predictably, the Solidarity organisation, whose policy on most issues is indistinguishable from that of the Social Democratic Party, has been to the forefront. Early in July, Kinnock had a secret meeting with the Solidarity group—which includes Roy Hattersley, Peter Shore, John Smith, and other Shadow Cabinet members—to discuss the proposals. "Solidarity", reported *The Times* (4 August, 1984), "in its latest newsletter to members, says, 'the need to fight at constituency and branch level is, if anything, greater than ever before. It may be tempting to argue that the internal battle is over and that Solidarity should now quietly fade away. Certainly there will be no prizes for a high profile which suggests the party is in turmoil'." Clear-

ly, the right advocate "unity" only on their own terms—on the basis of "protection from left-wing activists" (members who attend meetings), guarantees that radical conference policies will be ditched, and that there will be a further purge of *Militant* supporters and other left-wingers. This is evident from the Solidarity newsletter, which makes it clear that optional ballots are just a first step towards mandatory ballots—and that they intend to continue to fight for this beyond this year's Party conference.

Naturally, these lobbyists for a return to the "divine right" of MPs to hold their seat in perpetuity have been vociferously backed by the capitalist press. The *Sunday Times*, whose political columns are like a weekly propaganda bulletin for Labour's right wing, gave prominence on 22 July to the story that "Neil Kinnock... has been warned by Shadow Cabinet ministers and right-wing labour MPs that the Party's recovery is threatened by left-wing moves in the constituencies to dismiss 25 sitting Labour MPs as candidates in the next general election." Their list includes two shadow cabinet members, Peter Shore and John Silkin, as well as the Chief Whip, Michael Cocks (who was only re-elected Chief Whip by the Parliamentary Party after being forced to a third round of the ballot). Other newspapers produced lists which included other names too.

The mass circulation *Daily Mirror*, however, went even further. Immediately prior to the July NEC meeting, the *Mirror* launched a campaign under the slogan "Fight for the Labour Party", with blown-up features on its front and centre pages over three days. Victory for Labour, according to the *Mirror*, necessitates dealing with the "far left" or "lunatic left". This campaign may not be unconnected with the fact that the *Mirror* has just been bought by big business tycoon Robert Maxwell, himself a former right-wing MP. Maxwell is currently under threat of expulsion from his own local party, Oxford East, because of his action against the print unions. In answer to the print unions' fight to save jobs in Maxwell's British Printing and Communications Corporation, Maxwell has used the Tories' anti-trade union legislation against SOGAT'82 and the NGA, applying to the High Court for the sequestration of their funds.

Labour's National Executive, proclaimed the *Mirror* (25 July), "must decide today whether to start to win the next election or to repeat the mistakes which lost the last. It can either widen democracy within the party or tighten the grip of the undemocratic and unrepresentative left. It can either strengthen the authority of Neil Kinnock or torpedo his chances of becoming the next prime minister...". Featured prominently in its Save the Right campaign were "front line" MPs Peter Shore and Frank Field, "two outstanding MPs", according to the *Mirror*.

"Peter Shore is one of Labour's most respected, experienced and powerful MPs. In 1980 and again last year he was a contender for the Party leadership..."

The *Mirror* conveniently forgot to remind its readers of Shore's derisory vote in the leadership contest. Shore has consistently opposed the Party's policies on the economy and in relation to defence. He wants a return to the disastrous pro-capitalist policies of the 1974-79 Labour government, and scarcely attempts to conceal the fact that further reforms are ruled out in the present economic crisis. For twenty years he has represented an inner-city constituency, Bethnal Green and Stepney, where workers have suffered the worst ef-

fects of Labour's failure to reverse the decline of British capitalism. It is the effects of the crisis, not "conspiracies" dreamed up by the *Daily Mirror* which has shattered support for Shore and his policies. Overwhelming votes of no confidence in Shore prior to the last general election demonstrated clearly that he has lost his basis of support in his constituency party.

The *Mirror's* other "front-line" favourite was Frank Field, MP for Birkenhead. This democrat, who according to Fleet Street, is "threatened" by the re-selection process has already—very democratically—threatened his constituency party that if he is de-selected he will stand against Labour.

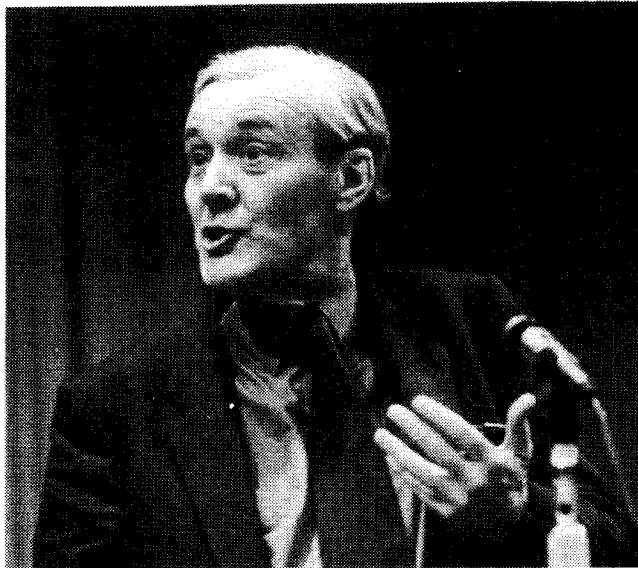
The *Daily Mirror*, a paper of big business which masquerades as pro-Labour in order the better to deceive its working class readers, pretends that it is out of concern for Labour's chances of winning the next general election. This is pure hypocrisy. The *Times*, however, recently blurted out the truth. The strategists of big business (unlike the Labour leaders) are far from being deceived by Professor Hobsbawm's thesis. They recognise that massive workers' battles, like the miners' strike and other struggles to come, will catastrophically undermine support from the Tories and bring a swing to Labour on the political plane.

"Pendulums swing", warned *The Times* (24 July), "and it would be rash to suppose that there are no circumstances in which the pendulum could swing to Labour despite the fact that the left seized all the inner citadels and was ready to act as a dominant force once the Party had been taken over. It is therefore in the national as well as in the Party interest that Labour should remain as broad based as possible and as democratic. Mr Kinnock's effort, belated and half-hearted though it is, deserves support".

The strategists of capital want to ensure that the next Labour government will be dominated by a right wing leadership committed to pro-capitalist policies that will provide no threat to the wealth and power of the capitalist class. That is what motivates their campaign to undermine and if possible reverse re-selection—not any concern for Labour's electoral prospects.

However, the issue is far from decided yet. Kinnock has supported a half-measure because he is aware of the storm of opposition which will be provoked by any attempt to undermine re-selection. The constituency parties' delegates at conference will be overwhelmingly opposed to the proposal. There will also be strong opposition within the trade union delegations, because the "one member, one vote" procedure effectively disenfranchises the unions affiliated to constituency parties. Kinnock has gained the support of a number of trade union leaders only by making the ballot optional. Even if the leadership succeeds in getting the proposal through conference in October in time to assist right wing MPs who may face re-selection from the beginning of next year, the battle will not be over.

When re-selection was carried through in 1981, in the aftermath of the disastrous defeat of the 1974-79 Labour government, it was seen as a long overdue, irreversible reform in Party democracy. Far from expressing the "narrow" aims of "unrepresentative" Party activists, the change reflected the conclusions drawn by much wider layers of the working class—that there should be no return to the failed reformist policies of Labour's right wing and that the Party's rank and file should be able to select representatives prepared to fight for workers' interests. Mandatory re-selection through delegates to General Management Committees puts the



Tony Benn. The ideas of the left will gain despite the manoeuvres of the right wing on reselection.

selection procedure in the hands of representatives of active Party members who are involved in building the Party, discussing policy, and who are familiar with the record of MPs. The capitalist class and their echoes within the Parliamentary Party denounce this, not because it is undemocratic, but because they hope that with the "one member, one vote" procedure they will be able to influence the outcome of re-selection through pressure of the media on less active layers of Party members. Once again, the capitalists are claiming the right not only of choosing the leaders of their own party but of the Labour Party as well.

Clearly, in constituencies where there is an overwhelming majority on the left, GMCs will vote against the ballot option. However, where a sitting right-wing MP is challenged there will be enormous pressure through the capitalist media for a ballot. Where ballots are decided on, the local and national media will pull out all the stops to secure the re-selection of right-wing MPs. There is also the danger that the new rules, which will inevitably be much more complicated, will give far more scope for de-selected MP's to challenge decisions and for the National Executive Committee to intervene. This will open up the possibility of a whole series of enquiries conducted by the NEC's mis-named Appeals and Arbitration Committee, in reality a Star Chamber which has taken over responsibility for organising witch-hunts against the left.

On the other hand, the right are deluded if they think that "one member, one vote" will automatically safeguard the position of the right-wingers. They claim that the activists are "unrepresentative". However, the old membership of the Labour Party declined under the stewardship of the right. The worst decline has been in areas dominated and represented by right wing MPs. New members coming into the Party, especially youth, and industrial workers, are overwhelmingly on the left. In most areas only a trickle of industrial workers have come in to the Party in the recent period. In the next period more and more industrial militants will turn towards the Labour Party, carrying over their industrial struggles into the political arena. Whatever the manoeuvres taken by the leadership, this will mean a further swing to the left in the Labour Party. While in the short term, therefore, the right-wing may bolster the

position of a few of the right-wingers who face re-selection, a resort to "one member one vote", even if the right succeed in making it compulsory, will not save right-wingers indefinitely. Even in the coming round of re-selection, if the left campaigns correctly and takes all the issues to the membership, right wing MPs could be decisively defeated in membership ballots and replaced by parliamentary candidates who reflect the outlook of the present membership.

One thing is clear, however: Kinnock's support for a change in re-selection marked the end of his honeymoon as leader. On this issue he has come forward openly as the spokesman of the right. The fact that the Kinnock camp itself has split on this issue, with Robin Cook and others like Norman Buchan coming out in opposition, is an indication of the battle which will be opened up.

No going back

KINNOCK WILL not be allowed a free hand to turn back the clock. The Party's ranks, beginning at this year's conference, will fight tenaciously against the political counter-revolution being waged by the PLP's right-wing leaders. In particular, the industrial workers who will increasingly come into the party in the next period, will massively reinforce the demand for policies based on the commitment to a fundamental socialist transformation of society.

This means a programme based on the implementation of Clause IV, part 4, which under conditions of present-day capitalism means the taking over of the banks and the 200 big monopolies which dominate the economy. This should be done on the basis of minimum compensation on the basis of proven need. Nationalised industries should be run under democratic workers' control and management, providing the basis for a socialist plan of production. At the same time, linked to this the Party should campaign for immediate improvements in workers' living standards through the implementation of £100 minimum wage for all workers, the 35-hour week without loss of pay, restoration of the cuts in the NHS, education, housing etc, and a massive programme of public works to provide jobs and much-needed facilities. Whereas there will be no enthusiasm among workers for a return to the discredited right wing policies of the past Labour governments, there would be enormous support for a socialist programme if it was explained and campaigned for.

There is growing support for such a programme among active sections of the labour movement, especially among those involved in the struggle of the miners. This is reflected in the growth of support for *Militant*, which has been singled out as the target of the right wing's witch-hunt. The perspectives we outlined immediately after the general election are already being borne out, and our programme, based on the ideas of Marxism, is increasingly recognised by workers as the only viable answer to the crisis in the system and the class policies of the Tory government.

We are confident that Marxism will go from strength to strength in the trade unions and the Labour Party in the coming months, and those around *Militant* will certainly be to the forefront of the battle to defend Party democracy and socialist policies at this year's Annual Conference.

Letters

The ideas expressed in this section do not necessarily reflect the views of the MIR Editorial Board. The

Editors reserve the right to shorten letters which are excessively long.

Appeasement, war and resistance



Russian soldiers reach Berlin in 1945.

THE CAPITALIST press, media, and politicians fell over themselves to get in on the 40th anniversary of the D-Day binge. They portrayed themselves as the guardians of "democracy" and "freedom". They studiously neglect to outline their real role.

Hitler was appeased by the Tories, because they saw him as a bulwark against Communism and social revolution. Hitler's and Mussolini's policies of destroying the German and Italian labour movements, were applauded by Churchill. In 1927 he commented on Mussolini's "gentle and simple bearing", his "detached poise in spite of so many burdens and dangers", and declared, "if I had been an Italian I am sure that I should have been with you wholeheartedly from the start to finish in your triumphant struggle against the bestial appetites and passions of Leninism".

Even when Hitler's expansionist foreign policy began to become a problem—ie a threat to British and French financial and imperial interests—this still did not change the Tories' fundamental assessment

of the value of Hitler as an anti-Communist battering ram. Hence the desperate attempts by Chamberlain's Conservative government to 'appease' Hitler in the West; in order to attain this end the British Conservatives were willing to turn a blind eye to the persecutions of Jews in Germany, and to countenance the sacrifice of the 'democratic' states of Spain, Austria, and Czechoslovakia to fascism. So much for their high-flown claims to be the defenders of democracy against fascism, good against evil.

Hitler's expansionist plans did not actually envisage the direct subjugation of Britain. Nevertheless it eventually dawned on certain sections of the British ruling class that, if Germany was to become the vast continental power, capable of performing a 'surgical operation' on Soviet Russia, then inevitably that would mean 'the end of Britain as a first class power'. But only when the reality of this threat was thrust in their faces by the invasion of Poland in September 1939 were the British ruling class jolted into doing something. They declared war

in a display of determination to defend their own power and prestige. But display was all that this was. Despite all the grand talk of defending poor Poland the British establishment still had no real intention of fighting Nazi Germany.

Not for nothing are the first months of war known as the 'Phoney War'. Even after the nominal declaration of war the British establishment were still preoccupied with thoughts of hitting back at the socialist 'cancer' represented by the USSR. As late as June 1940, on the very eve of the Battle of Britain, and at the very moment of the fall of France, they were still discussing bombing the Soviet oil-fields at Baku, to attempt to draw Hitler into an anti-Soviet alliance. Where were their concerns for the victims of fascism then?

Neither did Churchill's appointment as war-leader in May 1940 signify the emergence of a leadership determined to fight fascism; it was simply that the British establishment was reluctantly concluding that it was

going to have to fight to preserve its great power position. But now that British capitalism had found itself in conflict with Germany, it found itself too, in 1941, in a peculiar alliance with its old enemy: Soviet Russia! This was indeed a strange alliance. The British establishment still regarded the Soviet Union, and the threat of social revolution which, in spite of everything, it represented for them, as ultimately the greater danger. Churchill's propaganda talked of a great alliance against fascism. But in practice he hoped two birds would be disposed of with one stone: that the continental powers would destroy each other. Churchill stood aside to await this conclusion.

While the Nazi and Soviet giants enjoined their titanic struggle Churchill kept apart. British operations in 1942 and 1943 concentrated on preparing a position in North Africa, ready to intervene in Southern Europe and to secure the Balkans against the Soviet Union. The real war against Nazi Germany was meanwhile being fought by the Russians.

Stalingrad shattered the calculations of British capitalism. The two giants did not destroy each other. The Soviet planned economy, despite the enormities and bureaucratic inefficiencies of Stalin's dictatorship, proved far more resilient than they had ever imagined. Within months of turning the Nazi advance at Stalingrad, the Red Army had broken the back of the Wehrmacht; and it was sweeping westwards across the plains of Central Europe.

Now came the moment for the much vaunted D-Day. Urgent action was needed, to counter the spectre which had suddenly arisen: Germany prostrate before the Red Army and revolution! Only one factor mitigated against this prospect, although Churchill and the Western capitalist leaders had not fully grasped it themselves, and this was that for their own reasons Stalin and the Russian bureaucracy had no wish to provoke genuine revolutionary socialist movements in Europe. But, this factor allowed, it does not alter the fact that the strategies adopted by Churchill, Roosevelt and Truman, just like Chamberlain's earlier policy of appeasement, were fundamentally determined to secure capitalism against revolution, at every stage the German problem was secondary. The brave propaganda of fighting fascism and defending democracy was just so much cant designed to dupe the workers at home.



Churchill at the Yalta Conference — February 1945.

It is no accident that in the areas where British and American forces had a free hand, such as Italy and Greece, accommodation was reached as quickly as possible with former members of the fascist and collaborationist regimes, in order to re-establish 'safe' right-wing rule.

The attitude of the British capitalist establishment to the resistance movements stands in stark contrast with their initial appeasement, and later rueful grappling with the fascist Axis powers. The resistance movements united the most militant and determined anti-fascist fighters. The resistance leaders were often politically rather confused, but the character of the movements was unmistakable. Left-wing Labour MP Konni Zilliacus of Gateshead summed up the character of the resistance thus in 1943:

"Just as the propertied class were the stronghold of appeasement and collaboration," he wrote, "and big business and the great landowners are the economic taproots of fascism, so the underground resistance movements, although they have become nation-wide, originated in and are dominated by the working class. Such reconstruction programmes as have come to the knowledge of the outside world show clearly that the resistance movements are almost without exception left in character. The French, Yugoslav, Czechoslovak, Belgian, Dutch, Polish, Italian and Greek underground fighters regard public ownership of banking, transport and key industries, and national control of the whole economic system as the essential foundation for political democracy, and as the only way

of dealing with the elements of society that have proved fundamentally hostile to the rights of the common people, and have literally sold out to fascism."

What was the attitude of Churchill and the Conservatives to these resistance movements? These champions of freedom and democracy, "good" against "bad", these British Conservatives, what did they do? They spared no effort, strained every nerve, and broke down every barrier; to achieve what? to make sure the resistance did not come to power.

In France and Italy the resistance were disarmed as a matter of priority. Power was given to right wing generals De Gaulle and Badoglio, the latter a former member of Mussolini's fascist Grand Council. Nazis such as Klaus Barbie at Lyons were enlisted to fight the resistance, then allowed to go free. In Greece and Belgium Churchill used British troops to actually fight against and destroy the main resistance units as soon as the Axis troops had been cleared out! In Germany fraternisation with ordinary German workers was absolutely forbidden. "You have entered Germany: fraternisation is a crime!" read the notices.

In all this a particularly reprehensible role was played by Stalin, the Russian bureaucracy, and the Communist Party leaders. As part of a deal on spheres of influence cynically struck with Churchill they aided in the re-establishment of repressive right-wing regimes in the West. Indeed in most cases they acted, along with right-wing labour bureaucrats, as a 'radical' and 'democratic' veneer to give these new regimes credibility. Harold Laski, the left wing Labour NEC chairman, had no illusions as to what was being done: he railed against the deception of a "farfetched list of 'free elections' (which) is everywhere a technique for keeping old and evil vested interests in power".

A war between thieves, a struggle for power between British and German capital—the workers had no interest in that war. But "keeping old and evil vested interests in power"—now that affected the workers. Then as now, in World War Two as in Latin America, all the talk by that Thatchers and Reagans, the Churchills and Roosevelts, of concern for freedom was just so much hypocrisy.

Ian Hunter
Sacriston Labour Party

Marxism and the Nicaraguan revolution

ARISING OUT of the Autumn 1983 issue of the *Militant International Review*, which was dedicated exclusively to the revolutionary process in Latin America, we are pleased to see that there has been quite a lot of discussion among our readers.

One of the issues which has given rise to the keenest interest has been the position taken by this journal on the revolutionary developments in Central America in general, and Nicaragua in particular.

For reasons of space, and because the main ques-

tion under consideration was the revolution in Latin America itself, these questions were only touched upon in passing. For a more detailed account of our position on Central America, we refer our readers to the article written by Ted Grant in the *Militant* (5 August, 1983, No. 662).

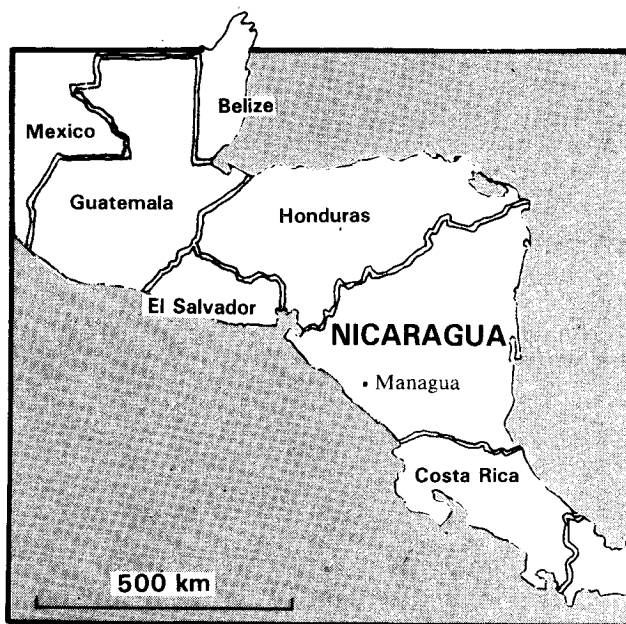
In view of the interest expressed in this issue, we publish here a further contribution to the discussion, by Bob Labi, which has special relevance to the problems of the Nicaraguan revolution. — Editor

THE OVERTHROW of the Somoza dictatorship in 1979 has undoubtedly helped to fan a new wave of revolutionary struggle throughout Central America. The Sandinista victory rekindled the idea of insurrectionary struggle among the young fighters battling against the dictatorships and repressive regimes of Latin America. The undoubted social advances which have been made in Nicaragua since 1979 have also inspired those fighting against capitalism around the world.

This has also enabled the Sandinistas to develop a wide following in many countries. The fundamental basis for this support is the absolutely firm desire among socialists and workers to defend the Nicaraguan revolution against reaction, especially the US financed counter-revolutionaries. But at the same time Marxists cannot be mere cheerleaders. It is vitally necessary to draw the correct lessons from every struggle and so enhance the working class's understanding of the tasks it faces in struggling to overthrow capitalism.

Unfortunately, there are those in the labour movement, and particularly on the sectarian fringes, who let their enthusiasm for the Nicaraguan revolution take the place of Marxist analysis. This is not a new phenomenon. It is similar to the uncritical, or virtually uncritical, support which many self-proclaimed "Marxists" gave to Stalin in the 1930s, Tito in the late 1940s and Mao in the 1960s. These people completely forgot, or never knew, the fundamentals of

By Bob Labi



Marxism in their rush to idealise these regimes.

Because of the obvious and important gains represented by the revolution, which we fully support, many comrades, particularly among the youth, have tended to develop an entirely idealised conception both of the nature of the Nicaraguan revolution, and of the class character and role of the Sandinista leadership. We do not for a moment deny the heroism of the Sandinistas, or the sincerity of their intentions. However, Marxist analysis does not base itself on examining the personal qualities of the Sandinista leadership, but rather on the question of whether or not the proletariat, as a class, is in power in Nicaragua. The fact that at the present

time there is overwhelming support for the Sandinista regime does not automatically mean that the working class is in power. Similarly the fact that the Sandinista leadership make speeches about socialism does not result in Marxists adopting an uncritical approach to them. We do not judge people merely by what they say but, more importantly, by what they do.

The general impression is created that the Sandinistas are somehow "carrying through the socialist revolution". But what does the socialist revolution really consist of? Above all else the socialist revolution is the conscious movement of the working class to take power into its hands. The working class exercises its control over society through a workers' democracy, based on the principles developed in the

1871 Paris Commune, the first period of the Russian revolution and the 1956 Hungarian revolution.

These principles, expressed by Lenin in *State and Revolution*, provide the litmus test as to whether or not a socialist revolution has taken place. Summarised briefly these principles are:

- ★ No standing army, but the armed people.
- ★ All officials, managers etc. to be regularly elected by the workers' organisations, with the immediate right of recall.
- ★ All officials to receive the same wages as a skilled worker.
- ★ Popular participation in all administrative duties; the direct management and control of society by workers' councils (Soviets).

The Stalinist political counter-revolution in Russia during the 1920s crushed the workers' democracy based on these principles which had existed in Russia and attempted to bury forever these four points of Lenin.

The degeneration of the Russian revolution and the development of Stalinist regimes in other countries following the Second World War also gave rise to great confusion within the international labour movement as to what constitutes a socialist revolution and a socialist society. The enhanced strength of Stalinism after 1945, the delay in the revolution in the advanced capitalist countries and the postwar weakness of the forces of Marxism resulted in the distorted development of the revolution in many countries.

The revolutions which took place in Eastern Europe, China, Vietnam, Cuba, Syria, Ethiopia etc, certainly led to the overthrow of capitalism (something which still cannot be said to have occurred in Nicaragua, although it is not excluded in the future). Private ownership of the means of production was replaced by nationalised economies with planned production. That certainly represented a gigantic step forward, and, as such, was welcomed by the Marxists. However, the distorted way in which these revolutions were carried out inevitably led to the establishment of one party, bureaucratic totalitarian police states and a new form of slavery for the working class. This despite the fact that, in the initial stages at least, these regimes all had an extremely "popular" character and were enthusiastically greeted by the masses.

Why did this take place? Was it the product of accident, misunderstanding or "bad luck"? On the contrary, it was rooted in the nature of these revolutions which took place without the conscious leading role of the proletariat, the highest expression of which is the Marxist revolutionary party.

Only the working class, organised in democratic revolutionary councils, or soviets, can lead to the socialist transformation of society. No other class or social group—whether peasants, lumpenproletarians, students, bureaucrats, guerillas or radical army officers—can play the same role. And whenever some other social group attempts to substitute itself for the proletariat in the revolution, the result is a foregone conclusion. Even in the most favourable out-



Military parade last year.

Photo: Pietro Gigli (I.F.L.).

come, where such a movement succeeds in overthrowing landlordism and capitalism, the best which can be hoped for is a new kind of totalitarian bureaucratic slavery which can last for decades until the working class becomes strong enough to overthrow it by a new political revolution and begin to move in the direction of real socialism, by purging the state of bureaucratic parasitism and creating a genuine, democratic workers' state, or "semi-state", to use Lenin's own expression, based on workers' democracy. From the beginning of these 'revolutions' control was firmly in the hands of an elite which sought to create a bureaucratic regime modelled on the Stalinist regime in the USSR. Thus we had the development of what Marxists call proletarian bonapartist regimes in many parts of the world.

However, in the case of Nicaragua, the Sandinista leadership, under the pressure of the Russian and Cuban bureaucracies, has not even carried the process of the expropriation of capitalism to a final con-

clusion. Because of this policy, it is not completely excluded that capitalist reaction might still succeed in throttling the Nicaraguan revolution at birth. This fact alone illustrates the completely un-Marxist nature of the Sandinista leadership and its narrow, nationalist conception of the revolution as well as the criminal role of Cuban and Russian Stalinism, which do not want to further complicate their relations with US imperialism by being openly seen to support the elimination of capitalism in Central America.

Moscow and Havana have clearly put heavy pressure on the Sandinistas to adopt a "moderate" stand and try to "do a deal" with Washington. That largely explains the vain attempt to conciliate what is left of the Nicaraguan bourgeoisie with all kinds of concessions, which only serve to embolden these brazen counter-revolutionaries and heighten the risk of United States invasion. Far from being a "realistic" policy, it will have disastrous consequences.

If the Sandinistas were genuine Marxist Leninists, they would carry through the revolution to its final conclusion, expropriating the bourgeoisie, and then make a revolutionary appeal to the workers and peasants of Central and Latin America, and also of North America, to come to their aid. On a purely Nicaraguan—or, for that matter, on a purely Central American—basis, there is no possibility for victory. Here the lesson of the permanent revolution is posed point-blank: either the revolution spreads to other countries, beginning with Central and Latin America, or it is doomed. The explosive situation in the entire sub-continent is a powerful reserve for the revolution, provided a bold internationalist revolutionary policy is pursued. But on the basis of illusory "realism", diplomatic manoeuvres and half-policies, there is no hope whatever.

The widespread confusion about the nature of the Nicaraguan regime is based on a superficial appraisal of the great enthusiasm which undoubtedly exists among the masses for the gains of the revolution. Similar enthusiasm existed not only in Yugoslavia, China and Cuba in the early stages of the revolution, but also in Stalin's Russia in the period of the first Five Year Plans, before the nightmare of the purge trials drowned the last remnants of October in a sea of blood. While the nature of the Sandinista regime is clearly very different from that of Stalin in Russia, it would be a fundamental mistake to imagine either that it represented a genuine workers' democracy, or that it was capable, on its present course, of evolving in that direction.

Many supporters of the Sandinistas point to the

1821—Independence from Spain won by Central American Federation, of which Nicaragua was a part.
1843—Break up of Central American Federation.

1909—US troops invade Nicaragua to prevent President Zelaya building a rival to the Panama Canal with German and Japanese backing. Nicaragua in effect becomes a semi-colony of USA.

1912—US troops again intervene to crush Liberal-led national uprising, after which a permanent force of US Marines are based in Nicaragua.

1925—US Marines withdrawn from Nicaragua. Two months later civil war starts out after Conservatives break their coalition with the Liberals and seize power in coup. US troops immediately return.

1927—Liberals agree to surrender on US terms, but one Liberal leader, General Sandino, refuses and continues to fight on with his 300 strong force based in the north.

1932—With promise that US Marines will leave (which they did in 1933) Sandino agrees to stop fighting after receiving guarantees for some peasant co-operatives.

1934—Sandino killed as he attends banquet in the Presidential Palace in a plot arranged by Somoza, then head of the Nicaraguan National Guard, and the US Ambassador.

1936—Somoza seizes power and used his position to eventually

Chronology of Nicaragua

become the richest person in Central America. Somoza was assassinated in 1956 and was succeeded by his eldest son, who in turn was replaced by his younger brother after his death in 1967. By 1979 the Somoza family had a fortune of \$150 million inside Nicaragua plus millions more abroad.

1958—New Sandinista guerrilla campaign under General Raudeles opens up in the north of the country.

1962—foundations of FSLN (Sandinista National Liberation Front) by Carlos Fonseca Amador, Silvio Mayorga and Tomas Borge. Fonseca was a former member of the PSN (the pro-Moscow communist party) who had met Che Guevara in Cuba after being wounded in 1959 with the Sandinista guerrillas.

1963—FSLN begins guerilla activity.

1970—After heavy defeats the FSLN suspends all military activity.

1972—Earthquake destroys the Nicaraguan capital Managua.

1974—FSLN restarts military activity a few days after the formation of the Democratic Liberation Union (UDEL), a 'popular front' of liberal capitalists and workers' organisations.

1975—FSLN majority expel the 'Proletarian Tendency' led by Jaime Wheelock which opposes all military adventurism and argued for the FSLN to root itself first in the

huge growth in popular organisations since 1979 and say that this proves in practice that the Sandinistas cannot develop into a bureaucratic elite. Certainly the growth in these organisations is very impressive, but in reality they do not exercise ultimate power. The real control of Nicaragua is in the hands of the Sandinistas' own party, the FSLN, which has a very restricted membership.

Out of a total population of only 3,000,000 in Nicaragua there are 100,000 members of the Sandinista Workers' Federation (CST), 40,000 members in the Rural Workers' Association (ATC), 70,000 in the farmers union (UNAG), 70,000 in the women's organisation (AMLAE), 50,000 in the Sandinista youth movement (MJ19), 500,000 in the 12,000 local Sandinista Defence Committees (CDS) and 80,000 in the militia (MPS). In 1979 only 25,000 workers were in trade unions now there are over 250,000 workers in the CST and other trade unions. The growth of these mass organisations represents an important advance of urban and rural workers, peasants and youth taking the first steps in developing their class consciousness.

But while these organisations have expanded, the FSLN itself has remained very small. It is very hard to find membership figures for the Sandinistas' own party, but it was reported that in January 1981 the

araguan History

proletariat.

1976—Further division within the FSLN between the majority 'Terceirista' tendency and the 'protracted people's war' tendency (GPP). The Terceiristas, led by Daniel Ortega favoured comando-type actions, urban guerrilla activity similar to that of the Uruguayan Tupamaros, an orientation toward an earlier uprising and supported the idea of broad alliances with sections of the bourgeoisie. The GPP, led originally by Tomas Borge, wanted to maintain a strategy of rural guerilla warfare.

1977—Somoza lifts state of emergency after apparently crushing FSLN, but one month later Terceirista tendency of FSLN launches new attacks. In November UDEL publish appeal calling for the creation of a democratic alternative to Somoza regime which should include FSLN.

1978—Assassination by Somoza of UDEL leader and 'La Prensa' movement against regime. 120,000 attend Chamorro's funeral, employers and unions call general strike FSLN stage more attacks.

—July, formation of FAO, a broad opposition front linking together forces ranging from the MDN, led by the millionaire industrialist Alfonso Robelo, to the FSLN Terceiristas. The Terceiristas carried on military attacks while the 'proletarian tendency' and GPP

wings carried on widespread political work. Uprisings and strikes develop throughout the country, although the September movement in Leon and Esteli is suppressed with the loss of 6,000 lives.

—November Terceiristas break from FAO in protest at US interference in talks between the FAO and Somoza.

1979—February formation of National Patriotic Front (FPN) by the Sandinistas, trade unions, MPU (a front of popular organisations) and some minor bourgeois groups.

—March: Reunification of FSLN and resumption of its military offensive amid continuing mass movements. Steadily new fronts were opened up.

—June: spontaneous uprising in the capital, Managua. Formation of exile provisional government made up of 3 Sandinistas and their supporters and two capitalists.

—July entry of Sandinistas into Managua marks the end of civil war which killed over 50,000 (2% of Nicaragua's population). At this time the FSLN had no more than 500 members. On July 20 the provisional government became the Government Junta of National Reconstruction (JGRN) with a 3 to 2 Sandinista majority and the assets of the Somoza family nationalised. Today the two original capitalist members of the Junta support the 'Contras'.

The Sandinistas point to the huge size of the mass organisations as a sign of the population's involvement in decision making. But while it is true that there is plenty of local decision making, for example through the CDSs, the major decisions are taken by the tiny FSLN, an organisation which has arbitrarily set a limit on its size irrespective of the qualities of those who may wish to join it.

While Lenin and Trotsky sought to prevent careerists joining the Bolsheviks after coming to power in 1917 they never sought to prevent tried and tested revolutionary workers becoming members. The Sandinista leaders' approach, apart from displaying a lack of confidence in the working class, carries with it the seeds of the development of a new ruling elite.

At this moment of writing, the Sandinistas are holding elections in Nicaragua. The main purpose of these elections was clearly an attempt to appease US and world imperialism and offer a palm leaf to the internal bourgeois opposition. They have attempted to find some theoretical justification for this policy by resorting to the absolutely false and discredited theory of the "two stages" invented by Stalin. There is no "democratic" bourgeoisie in Nicaragua. The bourgeoisie is on the side of the counter revolutionary "Contras". They have brazenly boycotted the elections

and made use of the concessions offered by the Sandinistas as a platform to organise support for armed reaction.

It is clear that these elections will result in an overwhelming victory for the Sandinistas. The bourgeois parties, openly identified with the counter-revolution, are thoroughly discredited in the eyes of the masses. The correct thing to do under these circumstances would be for the Sandinistas to base themselves on this popular vote of confidence to carry through the revolutionary process to the end, nationalising the property of the reactionary Nicaraguan bourgeoisie on the basis of the democratic administration and control of the working class. The existing mass organisations, trade unions, popular committees could be linked up and broadened to include every section of the working class, housewives, farmers and militiamen to provide the basis of a democratic workers' state and an invincible bulwark against the counter revolution.

Such a step would have an electrifying effect upon the workers not only of Central and Latin America, but also upon those of the USA itself. Coupled with a revolutionary internationalist appeal, it would have a similar effect to the earthquake produced by the Bolshevik revolution all over the world. And if Nicaragua is a backward peasant country, it should

FSLN has 500 members and planned to double this to 1,000 by the summer of 1981. It has also been reported that it is not planned to increase the FSLN membership above 5,000.

Even when the mass organisations have grown rapidly there have been severe limitations on the development of their own internal democracy. Thus the CST (Sandinista Workers' Federation) held its First Congress in 1983, three and a half years after it was formed!

In reality the Sandinistas' attitude to the masses is that they are acting on their behalf. Instead of relying on the workers themselves to run society the Sandinista leaders see the workers as 'too immature', thus the FSLN must be kept tiny. That is the reason why no elections for any type of government were organised during the first five years of the revolution.

The Sandinistas' attitude of getting the masses merely to rubber stamp their decisions was illustrated in their paper *Barricada* which claimed that the attendance of 500,000 at the rally to mark the first anniversary of Somoza's overthrow meant that "the people have voted" to approve the FSLN's policies. We only have to compare this approach to that of the Bolsheviks after 1917 to see that the Sandinistas are light years away from the programme of Lenin and Trotsky.

not to be forgotten that Russia then was like India now. The decisive factor here is not the relative weakness of the proletariat in relation to the peasantry (in reality, in Nicaragua, mainly agricultural labourers, which is not at all the same), but the weakness of the leadership of the proletariat in Nicaragua and on a world scale. With a different policy, the outcome would be entirely different.

The failure of the Sandinistas to carry through the revolution to completion by expropriating the existing capitalists means that the direction of the Nicaraguan revolution has not yet been decisively settled. It is not at all excluded that, under certain conditions, the Nicaraguan bourgeoisie, backed up by imperialism, could begin to push the whole process into reverse. The economic dislocation, low living standards and the sabotage of the capitalists themselves, could create discontent among the more backward layers, leading at a certain stage to a counter-revolutionary situation, a split among the Sandinistas and a rightist coup. Paradoxically, it is the policy of Reagan and the threat of open counter-revolution posed by the "Contras" which at present is cutting the ground from under the feet of the internal opposition which is increasingly being tarred with the same brush. The masses may not be quite clear on what they want but they are perfectly clear on what they do not want: they will fight like tigers against any attempt to reimpose the old Somoza dictatorship by armed force.

As we have stated before, if Reagan could wait some years, there might be a serious possibility that the Nicaraguan revolution, stuck half-way, would succumb to its internal contradictions and permit the triumph of bourgeois counter-revolution from within. But the whole point is that Reagan and US imperialism cannot wait. The dangers posed by even a distorted and incomplete revolution in the explosive context of Central America are too great to be tolerated. Everything points in the direction of an open US intervention against both El Salvador and Nicaragua, especially in the likely event of Reagan winning the next election. Unfortunately, the policies of the Sandinista leadership are only preparing the ground for such a turn. Their attempted concessions will have no effect. Only a bold revolutionary policy can stay the hand of imperialism. Only the complete carrying through of the revolution can guarantee its success. But that cannot be confined to the borders of a tiny, artificial country like Nicaragua. The very survival of the revolution, let alone its development,



The Nicaraguan revolution has achieved great social advances such as in education.
Photo: Pietro Gigli (I.F.L.).



Sugar cane refinery, taken over by the agrarian reform.
Photo: Jenny Mathews.

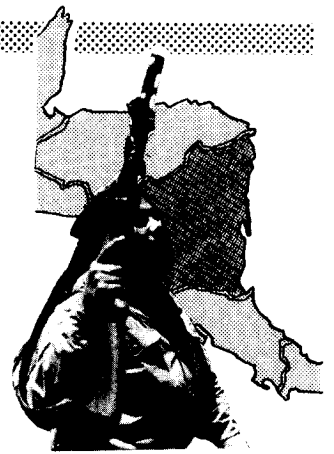
depends on its rapid spread, at least to the rest of Central America, and then to Latin America, North America, and the rest of the world.

Even the nationalisation and planning of the economy, however, would not be sufficient to define the Nicaraguan regime as "socialist". Despite the unquestionably progressive nature of the nationalised, planned economies of Cuba, China, the USSR and the other deformed workers' states, the working class is still held in chains under the rule of a privileged bureaucratic elite. And this is inevitably the case where the revolution is carried out by a guerrillaist minority acting in the name of the proletariat, no matter how heroic, sincere or well-meaning these people may be.

Marxism bases itself on the working class, as the only class which can establish socialism, not for any sentimental reasons or as an arbitrary choice, but



because of the social role of the proletariat in production and because it is the only class in society with an instinctive socialist, collectivist consciousness, derived from its very conditions of existence. By contrast, the consciousness of the peasant, the intellectual, the student or the lumpen-proletarian, steeped in individualism and moulded



in the psychology of the small proprietor, or the army officer, used to the system of command and blind obedience, is least of all fitted for the task of organising society along democratic collectivist lines.

Without workers' democracy the overthrow of capitalism can only lead to the creation of a regime of proletarian bonapartism. Such a regime while being able to develop society to a certain extent because it rests on a planned nationalised economy, would place before the working class the task of carrying through a new, political, revolution before society could begin to move towards socialism.

The basis of workers' democracy is that the proletariat as a class controls a society. Through its class organisations—trade unions, workers' councils, political parties—the proletariat (and, in a country like Nicaragua, in alliance with the poor peasantry) determines what takes place. This is the essence of the socialist revolution, the fact that the proletariat, acting as a collective body, takes power. On the other hand guerilla struggle, on its own, can never result in a workers' democracy because it bases itself on the idea of creating an armed force which will take over the urban areas, the home of the proletariat, from outside.

In other words the guerillaists see the working class playing an auxilliary role, a policy which resulted in a severe defeat for the Salvadorean revolution in 1980. The guerillaist strategy, which is not the same as one based on the need for a working class led insurrection, leads to the guerilla army taking power, not the class organisations of the proletariat. The only way this can be avoided is if the guerilla struggle is seen as an auxilliary to that of the urban working class.

The ruling bureaucratic elites in China, Vietnam and Cuba developed precisely from the leaderships of the victorious guerilla armies. In Nicaragua, although it was the Managua working class which finally overthrew the Somoza dictatorship in July 1979, political power passed into the hands of the FSLN. Despite the fact that, as Sandinista leader Humberto Ortega has admitted, the movement of the Nicaraguan workers forced the FSLN to change its guerilla strategy of aiming to surround the towns, the Sandinistas were seen as leaders of the revolution by virtue of their long heroic struggle against Somoza. Without workers democracy a decisive break with capitalism in Nicaragua would inevitably

fighters in a major area of conflict with Honduran based
Photo: Pietro Gigli (I.F.L.).

lead to the development of a form of proletarian bonapartism (i.e. Stalinism) whatever good intentions the Sandinistas have.

Some people have attempted to justify the Sandinistas' reluctance to move decisively against capitalism by comparing their economic policies with those of the Bolsheviks in the early 1920s. Any comparison between Nicaragua today and Russia in the early days of the revolution is completely false because, as already has been explained, a regime of workers' democracy, control through Soviets and a mass Bolshevik party existed at that time under Lenin and Trotsky.

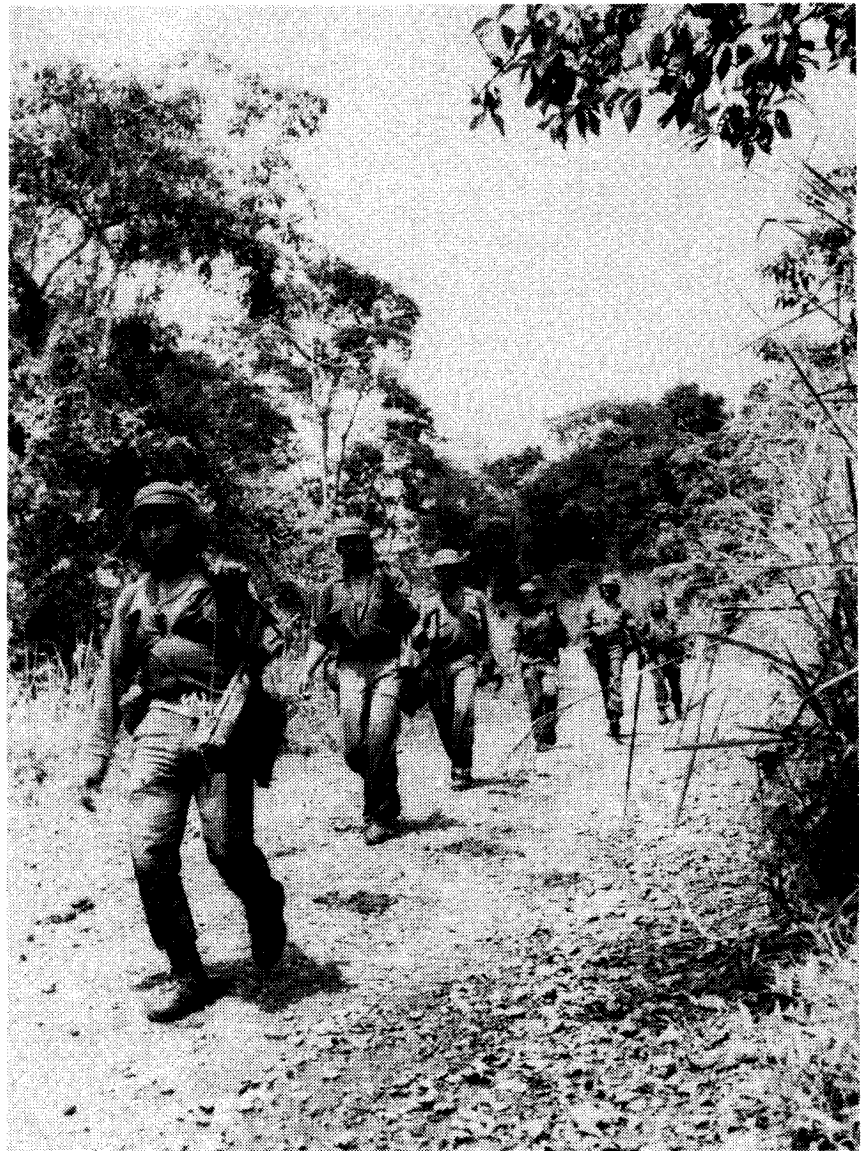
The introduction of the New Economic Policy in 1921, which allowed greater scope to capitalists and rich peasants in Russia, was a retreat in economic policy forced on the Bolsheviks because of the defeat of the socialist revolution in Europe and the devastation caused by the civil war. But despite the NEP the commanding heights of the economy and all foreign trade remained nationalised under the control of a relatively democratic workers' state. Clearly in a country like Nicaragua, which has a large element of small, petit-bourgeois capitalist producers and traders, Marxists would only advocate the immediate nationalisation of the larger concerns, foreign owned companies, banks and foreign trade. However, the Sandinistas have gone out of their way to try to reassure the local capitalists and the foreign governments that they want to preserve a 'mixed economy'.

One of the main FSLN leaders, Tomas Borge, has again and again spoken of the Sandinistas' desire to maintain a mixed economy. He told the Paris *Le Monde* that "we don't talk about political pluralism and a mixed economy to please the Americans. This is our programme." (December 19, 1982.) But in another interview a few days earlier in the Lima *La Republica* Borge complained that: "We provide the businessmen with many concessions, credits, facilities, but many of them remain discontented. They will not resign themselves to losing political power" (December 12, 1982).

That neatly sums up the dilemma facing the Sandinistas. The 1979 revolution smashed the old state machine, it left the Nicaraguan bourgeoisie with no "armed bodies of men" with which to guarantee their rule. Without such a guarantee in the form of at least a relatively secure capitalist state machine the capitalists will not invest and without investment a capitalist

economy cannot function. But instead of removing the major capitalists and beginning to plan the economy the Sandinistas try to appease them, a policy which has been at least partly pushed onto them by the Russian and Cuban leaderships who are reluctant to provoke a confrontation with US imperialism by aiding the establishment of the first proletarian bonapartist regime on the American mainland.

The failure to clearly break with capitalism has helped to worsen Nicaragua's economic plight and, more importantly, has not stopped Reagan from seeking to crush the revolution. Reagan will keep on trying to secure a victory for reaction because the continued unfolding of the Nicaraguan revolution is encouraging revolutionary struggles throughout Central America. No matter what compromises the Sandinistas try to make with capitalism or the US government Reagan will maintain his policy unless there is a movement within the USA itself or the revolution successfully spreads to other Central



Sandinista forces near the Honduran border. Military intervention by the US is likely if Reagan wins the election.

American countries. In fact the FSLN's policies of trying not to provoke Reagan are very dangerous because the best safeguard for the continuation of the revolution is the consolidation of a workers' democracy within Nicaragua and an internationalist appeal to the workers and peasants in the Americas to follow this example.

However as Alan Woods pointed out in Winter 1983/4 *MIR* the Sandinistas' policies are not accidental, they flow from the FSLN's leaders' acceptance of "the ideas of 'two-stages' theory of the revolution...Capitalism in Nicaragua, as in the whole of Central America, is absolutely rotten, corrupt and degenerate. There is no way forward on this (capitalist) basis for the Nicaraguan revolution. And yet the Sandinistas persist in a vain attempt to maintain some kind of private sector in the Nicaraguan economy. It is a mistake to imagine that capitalism has been eliminated in Nicaragua at the present time. Instead, we have an extremely peculiar state of affairs where, on the one hand the old Somoza state has been utterly smashed—the state in the Marxist sense is armed bodies of men in defence of particular property relationships—and an entirely new state has been set up in Nicaragua controlled by the Sandinistas. And yet, according to the latest figures 60% of the land (and industry) remains in private hands. The economic power of the bourgeoisie therefore has not been decisively destroyed in Nicaragua. Therein lies the danger.

"This situation cannot exist for any length of time. Either the Sandinistas, leaning on the workers and peasants, will carry through the process to the end and nationalise the economy, or else it is not excluded under certain conditions, that the bourgeoisie might gather fresh forces around itself and extinguish the new state."

The contradictory situation where the capitalists still control the economy but not the state will not last forever. It can only be resolved by either the state taking over the bulk of the economy through nationalisation or by the victory of the counter revolution allowing the bourgeoisie to create a new capitalist state. The tragedy is that the Sandinistas are giving the capitalists the opportunity to develop the counter-revolution, the economy and their attempts to reach political agreements with sections of the Nicaraguan bourgeoisie.

The utterly counter-revolutionary nature of the Nicaraguan capitalists is seen in the original refusal of their main political alliance, the CDN, to take part in the elections scheduled for November unless the Sandinistas agree to negotiate with the armed bands of 'Contras' attacking the country.

In mid-August the CDN suddenly withdrew this demand. The *Guardian* reported that "Several Latin American and European governments had privately informed the CDN that their excuse for boycotting the elections was inadequate. Many were also irritated that the CDN had allowed itself to become so closely identified with the Contras." (16 August 1984.) In other words the counter-revolution's foreign backers told the CDN to alter its approach in order

to manufacture a better sounding excuse for intervention against the revolution.

The capitalists still hope that an election boycott by their parties will provide the public justification for an even greater level of US sponsored intervention against the revolution if Reagan is re-elected. Clearly there is no

possibility that the Nicaraguan bourgeoisie can be reconciled to the revolution, yet still the Sandinistas are not prepared to take firm action against groups like the CDN which clearly are the political wing of the 'Contra' thugs, possibly in the vain hope that this gesture will stop Reagan's intervention.

This is the result of the FSLN leaders' acceptance of the 'two stage' theory of the Stalinists that it is necessary to create the "democratic dictatorship of the proletariat and peasantry" (sometimes now mistakenly called a 'workers' and farmers' government') as a separate and distinct stage before a workers' democracy is built on the basis of a planned nationalised economy.

This led to the FSLN attempting all the time to reach agreement with the so-called 'democratic' capitalists, when in fact there is no such thing as a democratic bourgeoisie in Nicaragua. Leaving aside a tiny handful of unrepresentative capitalist politicians who think they can personally gain from working with the regime, the bulk of the capitalists are determined to crush the revolution.

But the 'two stages' theory has meant that the FSLN leaders have been reluctant to remove the capitalists' main internal base through nationalisation. Indeed most of the main leaders of the 'Contras' are bourgeois leaders who were once included by the Sandinistas in their 'revolutionary' government. Arturo Cruz, the erstwhile CDN Presidential candidate who until recently was demanding talks with the Contras, was in fact appointed by the FSLN to the Junta ruling Nicaragua in May 1980 in the place of another capitalist leader who resigned from the Junta protesting against the Sandinistas' policies. Today Cruz is repaying his former sponsors by giving Reagan an excuse to intervene because of the 'undemocratic' elections.

This theory of the Stalinists is meant to be based on what occurred during the Russian revolution, but in fact it is the complete opposite. There never was a period when Lenin and the Bolsheviks collaborated in government with capitalists' leaders, yet perverting everything that Lenin had ever fought for the Stalinists always argue for co-operation with the so-called 'democratic' capitalists.

Shamefully these ideas are now being repeated by the former followers of Trotsky in the US Socialist Workers Party who have now capitulated to Stalinism. These renegades from Marxism have completely distorted the ideas of Marx, Engels, Lenin





Militias returning from patrol on the Honduran border.

Photo: Jenny Mathews.

and Trotsky to create a completely new stage, which they call a "workers' and farmers' government", between capitalism and a workers' democracy where the main sectors of the economy are not yet nationalised. Faced with the difficulty of reconciling this position with that of Marxism an SWP leader was forced to make a "clarification" in a footnote to a recent article admitting that "Marx, Engels, Lenin and others used workers' democracy in a sense that also encompasses a state in which political power has been wrested from the exploiting classes and taken into the hands of the proletariat and its allies, but in which socialist property forms (i.e. a planned economy) do not yet predominate." (page 92 *New International* No. 3).

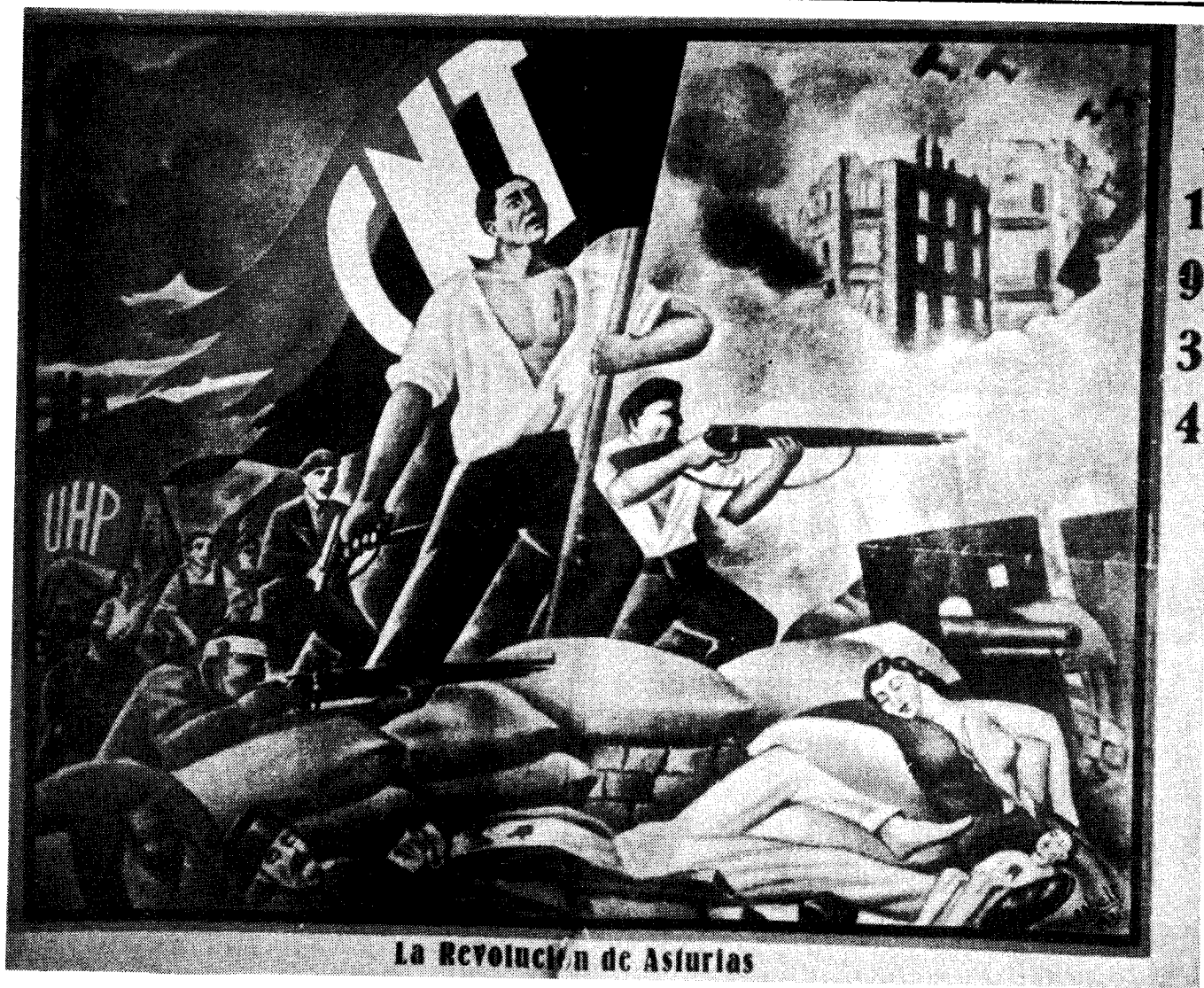
The US SWP is forced to admit that "Lenin used many different terms in the years following the October victory to describe the revolutionary process the Bolshevik Party was leading: dictatorship of the proletariat, workers' and peasants' government, socialist state, soviet republic, dictatorship of the proletariat and poor peasants, proletarian state etc" (page 64). This quite clearly shows that these renegades are attempting to give a completely new meaning to the demand for a workers' and peasants' government, one which implies the continued existence of a capitalist economy and ends up as a justification for the Sandinistas' refusal to move decisively against the bourgeoisie, a policy which puts the very future of the revolution in danger. As we have explained before only through the completion of the Nicaraguan revolution, i.e. the overthrow

of capitalism, is there any chance to defeat the counter-revolution. Any delay or hesitation displayed towards crushing the capitalists will only give them further opportunity to organise reaction.

Clearly even the establishment of a workers' democracy in Nicaragua will not immediately lead to socialism. A socialist society can only be built on the basis of overcoming all forms of scarcity through the raising of the productivity of labour to far higher levels than have ever been achieved under capitalism. For this to take place capitalism, and therefore imperialism, must be overthrown in at least in a number of the most advanced capitalist countries, or, alternatively Stalinism overthrown in the Soviet Union. But while small underdeveloped, countries like Nicaragua cannot complete the world socialist revolution they can begin it.

The victory of the socialist revolution in Nicaragua would not only help transform Central America but it would have a profound effect on the major Latin American countries like Mexico, Brazil, Argentina, Chile etc. The establishment of a workers' democracy in any of these major countries would change the entire world situation and herald the final defeat of capitalism and Stalinism. This is why it is so important that even in small countries like Nicaragua, with a population half the size of London, for the working class to be armed with Marxist policies. A victory for the programme of Marxism in a single country today would be the green light for the beginning of the world revolution which will transform all humanity.

The Asturian Commune — 50 years on



THE FALL of the monarchy in April 1931 marked the beginning of the Spanish revolution. The declaration of the Republic led to an immediate outburst of spontaneous strikes and demonstration of the workers and peasants who thought that the arrival of bourgeois democracy would mean the solving of their basic problems of work, land, wages and conditions. But Spain remained a weak capitalist economy where the wealth and power remained concentrated in the hands of a small group of landlords and capitalists, linked together by common interest and fear of the revolutionary masses. A coalition government was formed of the Republicans and Socialists which proved powerless to solve the problems. Labour unrest spread.

The government was given the

By Steve Poole

power of suspending constitutional guarantees and of intervening in labour disputes. The Socialists argued that it was important to give the Republic a strong hand to defend itself against the forces of Reaction. The Republicans of course had no interest in genuine land redistribution and peasants driven by hunger to seize land were met by the Civil Guard. Arbitration agreements raising pay were ignored and workers banned from striking while government agents went into interminable investigations and discussions with landowners.

The counter-revolution had taken to arms in August 1932 but they were smashed by the workers of Seville. Then they discovered they could out-

do the Republicans and Socialists with demagoguery, skillfully exploiting the discontent of the masses with the government. Following the Civil Guard's massacre in Casas Viejas, the Right wept crocodile tears for the massacred peasants and denounced the government for its harassment of the workers' press and the large number of political prisoners in jail!

The anarcho-syndicalist CNT was repressed by the government and as a result were strengthened and drew around them the militant layers of the proletariat. "Had the Socialists pursued a correct course they would have melted like wax in the heat of revolution", Trotsky.

In the November 1933 elections more than half the eight million voters went to the "anti-Marxist front" coalition and five million failed to vote. The

largest party in the Cortes (Spanish parliament) was now Gil Robles' Catholic-fascist CEDA.

The CEDA, however, left government to the right-wing republican Radical Party, not daring to govern until they had built a mass base. To this end they introduced a bill providing unemployment benefit, set up Christian youth, trade union and peasant movements, and even frightened their allies by talk of dividing up the large landed estates.

But the coming to power of Hitler in 1933 and the crushing of the Austrian workers in February 1934 had alarmed the international labour movement. The leftward evolution of the social-democracy came rapidly in Spain, already developing within the Young Socialists prior to the November 1933 elections as a reflection of the disenchantment of the working-class with the coalition government. The threat of an extension of fascism to all Europe posed by the easy triumph of Hitler in Germany forced a re-appraisal of reformist ideas.

The socialist Largo Caballero, who had been at the forefront of collaboration with the monarchist dictator Primo de Rivera in the 1920s as well as in the 1931-33 coalition government, veered left to electrify the masses with statements like: "We are convinced that bourgeois democracy has not worked; from today our objective will be the dictatorship of the proletariat. . . We must wait for the right psychological moment to throw ourselves into combat". Caballero was groping towards the ideas of Marxism. A sincere working-class trade unionist, he could perhaps have completed his leftward transition had there been a Marxist tendency within the Socialist Party. As it was he remained half-way between left-reformism and revolution with a centrist position: revolutionary in words, but not drawing the necessary tactical, strategical and organisational conclusions.

Even the centre of the Socialist Party, under Prieto, publicly pledged that any attempt at a fascist regime would be met by armed revolution. Some arms were imported but the socialist leaders lacked clear goals and threatened revolution instead of planning it. They did not see the revolution as the necessary culmination of class contradictions but as an unfortunate recourse imposed on them by the misunderstanding and intolerance of the capitalists. As a result, for them, the insurrection could only be an act of desperation in legitimate defence when the door of collaboration had been shut in their faces. In reply to Prieto's threat of armed revolution Gil Robles calmly replied: "You socialists will

always be incapable of unleashing the revolution because you are afraid of it."

The working-class rallied around Caballero and threw themselves into the struggle with renewed determination, freed now from the collaborationist diversion which had led to the 1933 election defeat. The strikes increased in number and virulence. Robles did not dare enter the government. He hoped that the Radical government would ride out and burn up the new found energy of the masses. But their activity and optimism increased daily.

On the initiative of the Left Communists and the Workers' and Peasants' BLOC (later united as the POUM) a Workers' Alliance was formed in Barcelona, and later in Valencia, Madrid, Asturias and elsewhere. The Left Communists had seen these workers' councils as indispensable instruments of the insurrection to be constituted by delegates representing all workers' parties and unions, the shops and the streets and to be joined together nationally: a veritable mass leadership. Their formation would have been decisive had the socialist leaders seen them as instruments of united action and organs of workers' power. But they maintained a bureaucratic structure of mere "top" committees, without elected or lower rank delegates—little more than liaison committees between leaderships, and even these were never joined together nationally. Caballero, no more than Prieto, could understand the need to weld together the masses in action in joint organisations of struggle, like the Soviets in the Russian revolution, which united all layers of the working class against reactionary landlords and capitalists.

The Communist Party attacked the Workers' Alliances as "Trotsky-fascist" and "social fascist". The anarchist CNT also refused to join, except in Asturias where the founding pact of 31 March 1934 stated that "the organizations united in this agreement will work together until they achieve the social revolution in Spain and the conquest of economic and political power by the working class".

In Madrid the socialist leaders did little to win over the CNT to the Workers' Alliance. They refused to call action through the Alliance to develop it. They refused to mobilise for partial battles at this decisive stage. Yet neither did they seriously prepare for the decisive showdown which they regarded as a last resort. "If they try to block our path. . . If they illegalise us etc."

Only the Young Socialists seriously prepared; in Asturias organising uniformed military training jointly with the Young Communists. Their

paper *Renovación* frequently denounced both reformism and Stalinism and praised the Spanish Trotskyists of the Communist Left, calling on them to help bolshevize the Socialist Party and Young Socialists. But despite Trotsky's insistence the Left Communists refused to join the Socialist Party and lost this opportunity of converting themselves into a mass party by winning thousands of youth and workers to the ideas of Marxism.

In April Gil Robles called a national assembly at El Escorial near Madrid. A general strike was only called at the last minute by the Young Socialists, not the Workers' Alliance. Within three hours of the strike call, however, Madrid was paralysed. Street tram rails were torn up, food and accommodation made impossible, roads blocked by barricades and fascists turned back and dispersed with fists and weapons.

Again in Madrid the Workers' Alliance, at Left Communist insistence, organised the putting up of the wives and children of those involved in the Zaragoza general strike for the reinstatement of CNT activists dismissed from work. The Alliance also organised the collection of a day's pay for the strike fund, facilitating its victory. The socialist leaders claimed all this to have been organised solely by the socialist union, the UGT; again they ignored an opportunity to weaken the anti-Alliance wing of the CNT, Zaragoza being a CNT stronghold.

The chronic problems of agriculture and the mood of class consciousness and optimism resulting from the recent victorious strikes (including a prolonged metal workers' strike in Madrid for a 44-hour week) led to an agricultural labourers' strike in June 1934 organised by the socialist FNTT landworkers' union. By the second day 100,000 were on strike. But the socialist leaders in Madrid impeded the solidarity action pressed for by the FNTT and Left Communists. They refused to support the call for a 48 hour general strike which could have ensured victory and been a turning point in the Spanish revolution, leading to new elections, dual power between government and Workers' Alliances, the arming of the workers and the taking of power with the minimum of sacrifice. Instead the landworkers and FNTT were smashed and demoralised, the ruling class gained confidence and began the preparation of a general attack on the revolution.

The initiative had passed to the Right and, using the legal structure installed by the 1931-33 Republican-Socialist coalition they proceeded with measures against the workers' press, the imprisonment of worker and peasant activists (12,000 in all), the clos-

ing down of workers' organisations and the dissolution of councils.

The Workers' opposition had been reinforced by the struggle for national liberation. Moves against the semi-autonomous status of Catalonia had roused the Catalans to huge anti-Robles demonstrations and the abandonment of the Cortes by nationalist MPs. The Basque councils also refused to collaborate with the government, leading to the arrest of all Basque mayors.

In April 1934 the secretary of the Communist Party had resigned because the Communist International had refused to sanction a United Front but by September the pressure from the party's ranks was irresistible, joint Socialist-Communist activities already common at rank-and-file level, and on 23 September Communist delegates took their place in the Alliance.

In a number of strikes the CNT were co-operating with the Socialist UGT and the entry of the Communist Party into the Workers' Alliance meant that it was only a matter of time before the CNT workers would follow the example of their Asturian section. The CEDA Catholic-fascists dared wait no longer and proceeded to provoke the October confrontation by entering the Cabinet, thereby calling Prieto's bluff.

On 1 October the government resigned. *El Socialista* threatened imminent insurrection—but prepared nothing. On the 4th a new government was formed with three CEDA ministers. The socialists called a peaceful general strike to give the government time to flush out disloyal troops and recover some socialist arms caches. The masses were on the streets demanding the distribution of socialist arms prior to the strike call. Only on the 19 July, 1936 was there to be such an electrically charged enthusiasm on the streets of Madrid again. There were messages from barracks and even Civil Guard posts of their readiness to go over to the workers if attacked. But the socialist leadership refused to lead and by the afternoon of the 5th, having detained many soldiers and confined the majority to barracks, the government was confident enough to enforce order with a heavy hand. Even then the soldiers driving the trams were "supervised" by pistol-toting officers. The general strike remained solid until the 13th when the socialists ordered a return to work. Industrial and commercial life had been paralysed as never before in Spain.

With Catalonia in arms the October revolution could have succeeded, but the Workers' Alliance failed to orientate itself to the CNT, the strongest working class organisation in the region. The Alliance had retained a bureaucratic structure and, rather

than attempting to win the CNT, had maintained a dialogue with the regional bourgeois nationalist government, the Generalitat, who were harassing the CNT. In October the Alliance saw itself as a mere auxiliary support to the Generalitat. Instead of posing the problem of Catalan liberty from the workers' angle, the Alliance waited for an initiative on the part of the regional bourgeois.

Maurin's BOC (Workers' and Peasants' Bloc) pushed this line in the Alliance, which organised a demonstration in front of the Generalitat palace asking them for arms! Instead of looking to the Generalitat palace for support, they should have linked with the CNT who joined the strike and were calling for a workers' uprising "to give the movement its proper characteristics". In some Catalan towns (Sabadell, Tarrasa and Villanueva de Gálvez) the workers took control and barricades went up in Barcelona, but the Generalitat, afraid of this mass movement curtailed it by declaring a Catalan Republic and promptly surrendering to Madrid troops without a fight.

In the Basque country workers took control in Eibar and Mondragón and marched on Bilbao, to be turned back by the Prieto Socialist leadership who told them to await orders and continue the strike—with some sniping and violence "to maintain the tension"!

Many small towns in the South were also temporarily taken by workers, but the socialist leaders in the provincial capital cities lacked clear goals and vacillated.

In Asturias (and the neighbouring mining zones of León and Palencia), however, we saw the beginnings of a thorough-going socialist revolution, the first in Spain's history. Here the influence of the powerful and militant Miners' Union—which organised a 24-hour general strike of 9,000 miners in February 1934 against the repression of the socialists in Vienna—played a key role. The miners' leader Peña had declared: "If we don't smash them, they'll smash us—we must learn the lessons of what is happening abroad". Here the Workers' Alliance comprised all the workers' organisations except the "apolitical" FAI wing of the CNT in La Felguera though even this group participated in the insurrection under the discipline of the Revolutionary Committee.

In Asturias the Socialist and Communist parties had been organising joint meetings of 4–5,000 miners throughout the year. The Young Socialists and Young Communists organised joint uniformed "excursions" to the mountains for military training. The Workers' Alliance here established committees throughout the region, expanding in representa-

tion and influence as they organised successful strikes such as that of the municipal workers in Gijón and a 48-hour general strike in September to block another CEDA assembly in Covadonga which was the most unanimous strike ever known in Asturias.

In 1934 there were six general strikes in Asturias and eleven strikes of more than 1,000 workers—both economic and political. Here the workers' movement had advanced and radicalised and gained a clear consciousness of its own united strength.

At dawn on the 5 October miners put into practice the plans drawn up for the attack of Civil Guard posts and the distribution of socialist arms. That afternoon the government declared "a state of war" in Asturias. Many troops and Civil Guards went over quickly to the workers having witnessed their unity, strength and resolve over the previous months, but the mutinies were limited as the soldiers knew that the government was in control in the rest of Spain. With a sparse supply of arms the miners relied on surprise and dynamite. 1,000 miners took half the capital Oviedo from 1,800 soldiers and Civil Guards. The improvised bomb launchers were the first tanks seen in Spain. Arms and dynamite factories were taken. For two weeks the workers' committees controlled militias, administration, transport, provisions, telephones, the health service, industrial production etc under the slogan UHP!—Unión, hermanos proletarios (Proletarian brothers, unite!). Of 27,600 miners, 20,000 were involved in the armed struggle. Alongside the miners fought some 10,000 metal and steel workers.

From the 6 October, however, the government was confident of containing the rest of Spain and, not trusting Spanish troops, sent the Foreign Legion Moors under General Franco to crush the commune. Non-striking CNT railworkers transported the troops. 40,000 were sent to take Asturias, but the workers put up an heroic resistance until the 18th, despite facing superior arms and aerial bombardment. Oviedo resembled Belgian and French towns destroyed in the 1914–18 war. The Workers' and Peasants' Republic of Asturias surrendered on the 18th "defeated, but not conquered".

The Asturian insurrection had been the most thorough-going in Western Europe since the 1871 Paris Commune and the brutal repression which followed was similar to that ordered by the French bourgeois. More than 3,000 miners were killed, many after surrender. Some 7,000 were wounded and 40,000 imprisoned and tortured for confessions or to reveal the location of arms caches.

Nationally a state of emergency was maintained for three months: the councils of Madrid, Valencia, Barcelona and other towns were dissolved, the workers' organisations banned, Catalan autonomous rights suspended, thousands of activists sacked, wage levels reduced and unemployment increased.

But Asturias had saved the Spanish workers from decisive defeat. The insurrection inspired admiration and the hope of a new general offensive on the part of the working class. The Young Socialists adopted the slogan, "we must continue until the triumph of the October revolution". Because the workers had fought arms in hand it proved impossible to consolidate a fascist regime as Hitler had done in Germany thanks to the passivity of the Social-Democrats who had underestimated the effects of a fascist government in smashing the workers' movement and thanks to the insane position of the Communists who saw the Social-Democrats as their principal enemy. In Germany fascism seized the reins of government without a shot being fired; in Spain Asturias proved that the Spanish fascists would face civil war.

Within three months the unions were again collecting dues, issuing illegal papers and organizing wage donations to prisoners' families. Large sections of the peasantry and middle class were drawn into the amnesty campaigns, with meetings of 200,000. General strikes were organised against the executions of October prisoners. May Day 1935 saw a total stoppage of work and was followed by a split in the Radical Party—the "wets" going over to the amnesty campaign, a split in the CNT with the formation of a syndicalist party for participation in the elections, and a right to vote concession by the CNT leadership. In February 1936 the bonapartist regime was swept away at the polls and in the streets, with workers tearing open the jails, enforcing the reinstatement with back pay of those victimised after October 1934, dismissing scab workers and achieving a shorter working week.

Trotsky wrote on the Spanish October of 1934: "No one has said that the revolutionary method automatically assures victory. What is decisive is not the method in itself, but its correct application, the Marxist orientation in events, powerful organisation, the confidence of the masses won through long experience, a perspicacious and bold leadership... The reformist parties of Germany, Austria and Spain did not prepare the revolution, did not lead it, but suffered it... The result of the civil war depends for three-quarters, if not nine-tenths, on the political preparation..."

But the Socialist Party had failed to

maintain the offensive, had failed to create genuine soviets and national cohesion, had failed to conduct propaganda to neutralise or win over the troops, had failed to explain to the workers what the coming revolution would mean by propagating the slogan of land and factory seizure and by forming militias, but had instead hinted darkly at their own Blanquist preparations to effect it themselves. Even in Asturias the socialist-dominated Provincial Committee failed to systematise the revolution, failed for example to proclaim that the land was now the property of the labourers and poor peasants, a measure which would have rapidly had repercussions in neighbouring Galicia.

"...Of what does this political preparation consist? Of the revolutionary cohesion of the masses, of their liberation from servile hopes in the clemency, generosity and loyalty of 'democratic' slave-owners, of the education of revolutionary cadres who know how to defy public opinion and who know how to display towards the bourgeoisie one-tenth of the implacability that they display towards the toilers. Without this temper, civil war, when conditions force it—and they always end by forcing it—will

take place under conditions most unfavourable for the proletariat, will depend upon many hazards, and even then, in the case of military victory, power can escape the hands of the proletariat. Whoever does not foresee that the class struggle leads inevitably to armed conflict is blind. But he is no less blind who fails to see behind this armed conflict and its outcome the whole previous policy of the classes in struggle... In Spain, as in Austria, it was not revolutionary methods that were defeated but opportunist methods in a revolutionary situation. It is not the same thing!"

Marx had warned of the dangers of "playing" with insurrection and of failing to act with determination by not taking the offensive or going all the way. "The defensive", he said "is the death of every armed rising." Fortunately, the Asturian workers, in taking the offensive, saved the day and preserved uncurbed the Spanish workers' spirit of resistance and revolution—soon to sweep across Spain, in response to the military-fascist rising, on the 19 July, 1936.

In the next issue of the *MIR*, Steve Morgan writes on the workers' uprising in Vienna, February 1934.

Economic notes By Bob McKeen

Western economy running out of steam

THE LATEST economic forecast from the Organisation for Economic Cooperation and Development (OECD) confirms earlier predictions by other forecasters that growth of production in the major capitalist countries will decline in 1985, ie the 'boom' of 1983 and 1984 is coming to an end.

The growth in production reached 2.4% in 1983 and accelerated to 4½% in 1984. But this relative improvement over the decline of 1981 and 1982 was almost totally dependent on a buoyant US economy which expanded by 3.4% in 1983 and by a startling 6% in 1984. Excluding the US economy, the rest of the 24 OECD nations only increased production by 1.8% and 3.0% in 1984.

However, the OECD predicts "a slowing of the expansion" in the USA for 1985, with production falling sharply to just 2.5% growth for that year. As a result, overall OECD production will only rise by 2.75% in 1985.

The US government continues to run a massive budget deficit in order to pay

for fast rising investment in "defence". Increased government borrowing is forcing up US interest rates and may drive them even higher in 1985 because investors in foreign currency deposits can receive high rates if they hold their money in US dollars. This has enabled US companies to buy goods from other OECD countries, thus stimulating those economies to some extent.

However, increased US interest rates have forced up rates in other OECD countries in order to avoid too sharp a fall in their currencies. Any fall in a country's currency in relation to the dollar will increase inflation as countries purchasing dollars have to find more of their own currency to pay for them.

Generally rising interest rates are beginning to squeeze the share of profits going to manufacturing industry which has modestly improved its rate of return on investment in the last two years. As the OECD puts it: "real interest rates are high by historical stan-

dards and are likely to remain so . . . in relation to realised rates of return on capital. Hence pure profit rates remain depressed." Therefore there is expected to be a decline in the growth of fixed investment in OECD nations for the rest of 1984 and through to 1985.

So while the downturn in growth in 1985 may keep prices from rising too fast, the end of what the OECD calls this "mild boom" holds out no improvement in the prospects for unemployment. In Europe that will continue to increase from its current level of 18½m to 19½m by the end of 1985 and will stop falling in the USA.

The OECD is very unsure about the future. If the massive US balance of payments deficit (now \$80,000m per year rising to \$100,000m in 1985) eventually produces a sharp fall in the dollar when other nations are no longer prepared to accept credit for US purchases, then interest rate rises could really strangle the world economy and throw it into another major recession or slump greater than the last. And unemployment is already at a record high!

According to a recent study by Union Bank of Switzerland, labour costs in the UK are among the lowest in the advanced capitalist world. Among the top 15 capitalist nations, only Spain and Ireland have cheaper labour forces than Britain. Labour costs per worker per hour are around SwFr14 (£4.50) in the UK, while they reach SwFr25 in the USA and Canada. British employers can therefore hardly complain that high labour costs are the cause of their low profits—although they do!

The reason for low labour costs in the UK is not principally low wages. Pay per hour in Britain is SwFr10 per hour, higher than France or Italy at SwFr9. Costs are kept low because UK employers pay much less in social security contributions than do other employers—only 41% of hourly pay compared to 81% in France and 91% in Italy.

Another interesting fact to emerge from the survey is that Japan is no longer a low wage economy. Japanese workers receive higher pay rates than their British counterparts. The success of the Japanese economy and the failure of the British cannot be explained by cheap Japanese workers and overpaid British ones. It is more accurate to say that expanding Japanese industry has boosted wages while a declining British economy has lowered workers' incomes.

UK oil surplus hides disaster in manufacturing

The Thatcher government would never have survived in office had it relied on the success of British manufacturing industry to create

wealth and income in the last five years. The revenue from Britain's oil exports has competely masked the dramatic and irreversible decline in the nation's manufacturing trade surplus.

In 1978 British industry was exporting £3800m more in manufacturing goods than it was importing. In 1983 it imported £6,800m more than it exported! This is a recipe for economic disaster which has only been averted, temporarily, while oil revenues last. The deterioration in British manufacturing trade is particularly sharp in the industries that used to be considered the strongholds of British industry: motor vehicles, textiles and electrical equipment. Whereas in 1978 they provided a small surplus of exports over imports, in 1983 they contributed over 70% of the total manufacturing trade deficit. The only areas that have shown improved surpluses or at least maintained the same position as in 1978 are the aerospace industry, supported by increased government defence spending financed by the tax-payer and to a lesser extent the chemicals industry. Overall in the last five years imports have increased by 34% compared to exports.

British manufacturing industry lost its share of world trade over a decade ago, but now it is fast losing its position in home markets. Why? Because it cannot raise productivity sufficient-

ly to compete with more efficient rivals. And the situation is likely to get worse. By 1985 the manufacturing deficit will be so large that it will eat away entirely the oil surplus and revenues obtained from banking, insurance and shipping that Britain usually relies upon. By the early 1990s oil production will have dropped away to the point where Britain will be forced to import oil again and the mask that has covered over Britain's manufacturing collapse will be removed to expose the decay beneath.

Saving British industry by cutting its taxes

The British government is not stupid. They know that the reason for the disastrous failure of British industry is lack of investment—although they usually tell us the lie that it is the high wages of British workers. However, they know why UK capitalists will not invest. As they put it: "what the UK really needs . . . is not just more investment but . . . is more genuinely profitable investment" *Economic Progress Report May 1984*.

In that Treasury report they graphically demonstrate why British industry will not invest—because the rates of return on investment "have been consistently lower than in competitors' countries".

Why? Because British industry is so inefficient that output per unit of capital is less than half that of the USA or West Germany, for example.

But what is the government's solution? To raise production and investment by a plan controlled and executed by the whole industrial workforce, instead of allowing decisions to be made by a few who are looking for only "genuinely profitable investment"? Of course not. If profit rates are too low, let's increase them—but not by raising efficiency (they don't know how under the private profit system) but by lowering the taxes on existing profits even more.

The government's answer is to alter the tax incentive scheme in such a way that, as the Treasury openly boasts in this report, "the rate at which company profits are taxed will be significantly lower than any of our major competitors".

The report does not explain how this extra handout to our inefficient British capitalists is to be paid for, but it is not difficult to work out. If there are less taxes to be raised from the big companies then they must either be increased elsewhere ie from the working-class in income tax or further cuts must be made in public spending. So the Tories are not stupid. If profits are too low for the capitalists, make everybody else subsidise them a bit more. It's simple really.

Import and export ratios, selected UK industries

Industry	Import penetration (%)		Export sales ratio (%)	
	1978	1983	1978	1983
Motor vehicles	25	37	28	24
Electrical/electronic engineering	22	30	28	27
Office machines/ADP	54	62	42	42
Man-made fibres	26	39	36	43
Footwear/clothing	22	30	14	13
Textiles	25	32	20	20
Chemicals	20	23	29	31
Instruments	35	37	33	37
Aerospace + other transport equipment	27	23	33	36
Total manufacturing	21	24	21	21

Import penetration measures imports divided by home demand + exports. The export sales ratio measures exports divided by manufacturers' sales + imports. So, since both ratios have the same denominator, any increase in the import penetration index faster than a comparable increase in the export sales index reveals decreased competitiveness of UK manufacturers. Source: *Monthly Digest of Statistics*, December 1983. Figures refer to the 12 months ending December 1978 and 1983 respectively.

Book Reviews

"The Lucas Plan; A New Trade Unionism in the Making?"

By Hilary Wainwright
and Dave Elliott.
Allison & Busby 1982
£2.95

Reviewed by Vivienne Seal

THE LUCAS Aerospace workers' campaign against redundancy, based on proposals for using their skills to make socially useful products, received tremendous support throughout the labour movement nationally and internationally.

Back in the mid-1970s the Lucas chairman announced: "Lucas will move overseas with capital, investment and jobs and retain its UK operation on a care and maintenance basis." Between 1970 and 1975 the total workforce in the combine had declined from 18,000 to 13,000. In 1974 the Labour Government announced defence cuts. Lucas Aerospace works on many defence contracts and the combine shop stewards committee realised that these cuts, together with the "rationalisation" planned anyway by management, meant that there would be redundancies to fight. At the same time the individual unions in the combine nearly all had national policies that favoured defence cuts, and the combine committee supported such policies in general terms. The strategy they adopted was to work out an alternative corporate plan to fight redundancies without opposing defence cuts.

Every worker in the combine was asked to supply details of his or her experience and knowledge, and trades councils, trade unions and community groups supplied details of specific local needs. Studies of energy, transport, medical and other technologies were made and circulated to all the sites. Corporate planning committees were set up on most sites. Shop stewards developed ideas for alternative products based on their knowledge of their local factory's equipment, services, siting and layout, the skills of the workforce, existing and planning products and so what was both technically possible and socially needed. Alternative methods of production, using technology to enhance rather than diminish or replace human intelligence and skill, were also proposed.

The alternative plan was published in 1976. Lucas workers campaigned against redundancies by arguing that the company should diversify in ways recommended by the plan rather than shut down plant and make workers redundant.

About 150 products were described, some involving detailed designs and specifications for production. They included remote handling (telechiric) devices for undersea oil rig maintenance, fire fighting and mining that would avoid dangers to miners, firemen and divers; a rubber wheeled vehicle that runs on roads or rails, powered by a hybrid electric and petrol engine; electromagnetic fail-safe auxiliary brakes for heavy vehicles; artificial limb control systems; sight substituting aids for the blind (drawing on experience in designing blind landing systems for aircraft); solar cell technology for powering council-housing estates; and a vehicle designed especially for disabled children. Several prototypes have since been built and the road-rail vehicle, apart from leading a demonstration in Burnley against redundancy, has according to the stewards proved to be a very successful piece of "technological agitprop" in mobile exhibitions.

Similar alternative plans have since been discussed by workers faced with redundancy at Vickers, British Leyland, Chrysler, Clarke Chapman, CA Parsons, GEC, Rolls Royce, Hawker Siddeley and British Aerospace. The metal workers' union in Germany and the US Autoworkers and the Aerospace and Machinists' union have taken up the ideas in the alternative plan. Lucas workers have visited factories all over the world to share their experiences with other groups of trade unionists. In France workers voted for developing alternative socially useful production (part of the Socialist Party's manifesto) at the May 1981 general election.

But Lucas management, not surprisingly, were less enthusiastic. In fact they have refused to consider the workers' alternative, even at one stage deciding they did not recognise the combine committee (with whom they had previously negotiated). When the plan was published they wrote a 26 page reply, essentially arguing that aerospace products would remain profitable and "of social utility", so there was no need to consider alternatives.

Many Lucas workers at first believed that the company would accept the alternative plan. They have since recognised that management's at-

titudes and actions are governed, not by abstract 'rationality' but by vested interests. In this case management have been determined to oppose the plan in order to demonstrate who controls the company and who decides on corporate strategy and product development. There is no question that they would ever willingly allow the workers to have a say in these matters even though Lucas has actually missed out on profitable markets to make their point.

For example, the heat pump described in the alternative plan was developed, built and then tested in Milton Keynes Development Corporation houses (financed by a government grant, not by Lucas). The heat pump, which works like a refrigerator in reverse, is not only socially useful—it would halve the fuel bills in an ordinary council house—but has a potential market of £1,000m according to market consultants Frost and Sullivan (whose report was privately commissioned by Lucas and intercepted by the shop stewards!). A German firm now manufactures heat pumps commercially and several other products from the alternative plan are being made by other firms, mostly abroad.

The major success of the alternative plan was to give the Lucas workers the confidence to fight redundancies and closures with industrial action whatever hard luck stories or statistics they got from management. The workforce knew they had at least as much skill and understanding as management and no one could convince them that massive dole queues were inevitable, even in a period of recession. At some sites (eg Burnley) the corporate plan was discussed in mass meetings of 3,000, details were worked out at "teach-ins" of around 300 and joint shop stewards committee proposals resulted from the maximum involvement of the whole workforce. Hundreds of workers discovered skills they did not know they had.

The number of workers employed by Lucas Aerospace declined by another 1,000 to 12,000 between 1975 and 1981. But since management stated that their target was 8,000, and the only compulsory redundancy in that period was Mike Cooley, chairman of the combine shop stewards' committee (officially for declining "promotion" to management) despite 3 major attempts to close down the whole site, the workers regard this as a partial victory, even though the loss of Mike Cooley was seen as a major blow. In fact Mike Cooley is firmly convinced

that he, too, would still be doing his old job today if he had relied on the strength and militancy of the combine workforce and not on his union's bureaucracy taking his case through the "correct" formal procedure. He commented that it is astonishing how similar are the views of some members of the Communist Party in leading trade union positions to the views of Lucas management, when it comes to fundamental challenges to the way industry is run.

Hilary Wainwright and Dave Elliot have recently written a book about the Lucas Plan. It gives a wealth of detail about the plan, how the workers came to develop it, and how they have campaigned since. The book also covers the development of the combine committee itself, which alone has important lessons for workers in multi-site and multi-national corporations. It is a very readable account of one of the most important experiences in recent labour movement history.

My main criticism of the book concerns the way it deals with nationalisation. The sub-title "A New Trade Unionism in the Making!" makes it clear that the book is not just a history of the Lucas Plan, but is intended to have more general implications for the labour movement. The last chapter is devoted to these implications. The authors seem to counterpose workers' alternative plans to demands for nationalisation as the basic strategy for the labour movement's campaigns on jobs, conditions and wages. Thus, for example, the authors are explicitly opposed to "the traditional view of state intervention, in which legislation for public ownership was understood as the first step towards socialism." This they call "nationalisation for its own sake."

The authors are quite right to criticise the way in which nationalisation has been carried out in the past, producing bureaucratically run state corporations which operate in the interests of private industry. This was exactly the reservation many of the Lucas workers themselves had about nationalisation before.

But the authors seem to be opposing nationalisation altogether although their formulations are rather vague and inconsistent. Their perspective is as follows: a socialist government would provide resources and encouragement to groups of workers and users of various kinds of products, who would draw up plans for producing and using the products. For example, in the case of public transport vehicles, plans might be drawn up by bus workers, transport users, Lucas, Dunlop and British Leyland workers and local authority representatives. Such a government would back

workers bargaining over proposals based on these plans with financial and other sanctions on the companies concerned. Where this met with determined resistance, a socialist government would need to be prepared to socialise the company and/or industry, under workers' control."

In other words, public ownership is seen as a last resort. The authors do not spell out whether they see some industries as remaining indefinitely in private hands, management having agreed to the workers' alternative plans—or whether their perspective is for a gradual taking over of the whole of industry, firm by firm. Either of these policies is likely to give the capitalists the opportunity to organise the overthrow of a left-wing labour government as they overthrew Allende's government in Chile.

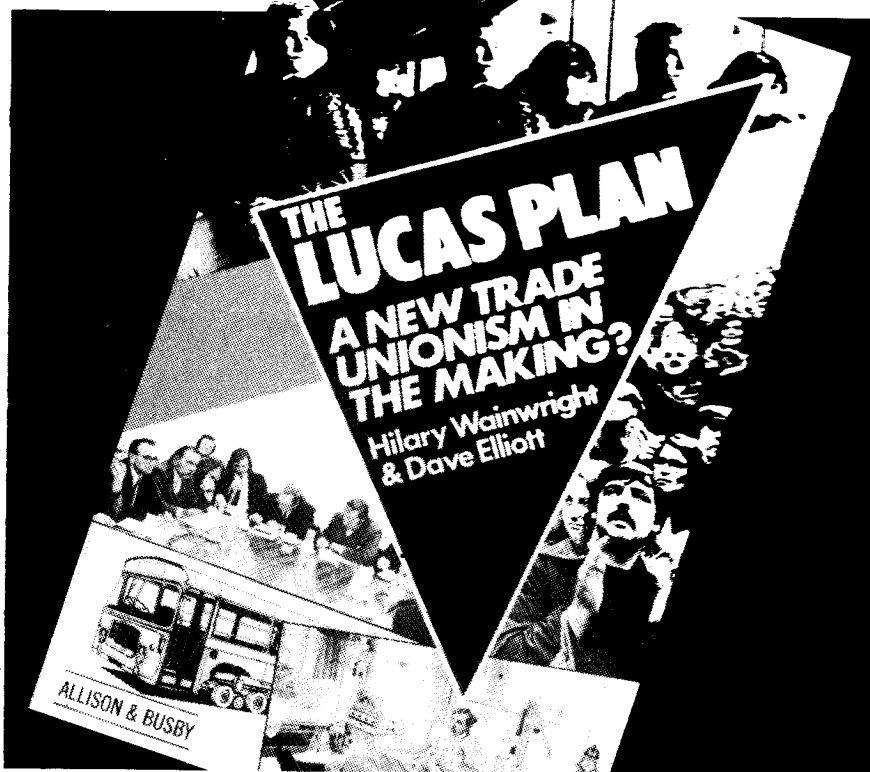
On the other hand, they see some industries being "socialised" within "the first months" of the government while nationalisation of the banks appears at the top of the list of priorities, as though the intention is to please everyone on the left of the labour movement.

The statement that "workers' plans are in effect proposing a form of restructuring... in the interests of labour rather than capital. They anticipate and identify new markets and consumption patterns, and by their political pressure they attempt to back social needs with the purchasing power of local or national government" is definitely meant to refer to a period when the ownership of the means of

production is still in private hands. Indeed, Hilary Wainwright is currently trying to put her ideas into practice as a member of the GLC's Economic Policy Group, while former leading Lucas shop stewards Mike Cooley and Phil Asquith have similar jobs in the GLC and Sheffield City Council respectively.

Later on, however, the emphasis shifts. They say, in the case of the car industry, that they do not stand "simply for nationalisation of the car industry" but "for proposals (for example) to get rid of planned obsolescence in car manufacture, to produce low price, non-polluting city cars, to establish an extensive system for care and maintenance of long lasting cars and to improve public transport." These demands do not conflict with those put forward by *Militant*—for the nationalisation of the car industry under workers' control with production for social need not profit.

The point that needs to be stressed, however, is that production for social need in ways put forward by the Lucas alternative plan will not generally be possible (apart from one or two products that are also profitable) until the firm or industry concerned is run democratically under workers' control. And that, in turn, will only be possible when industry is publicly and not privately owned. Aneurin Bevan (whom the authors criticise) was quite right to say that nationalisation was the first step towards socialism; but the Lucas stewards were also right to say that nationalisation alone is not



enough; it is no more than a first step, important though it is.

Although many Lucas workers at first saw an alternative plan as a way of protecting their jobs without changing the management or ownership of the company, there were plenty of others who saw it as a powerful propaganda weapon in the campaign for nationalisation and workers' control, but not fully realisable until such nationalisation had been achieved. At the combine shop stewards' meeting that decided to initiate work on the alternative plan it was also clearly stated: "We reaffirm our policy that Lucas Aerospace be nationalised with full workers' control." Workers' alternative plans are not an alternative to a campaign for nationalisation but part of it; an elaboration of the ways in which the production for need not profit under workers' control may be achieved; and a way of involving the while workforce in the campaign to take over society and implement such plans.

The Lucas Plan represents an enormous step forward for the labour movement because it demonstrates in the clearest possible terms that the bosses are redundant. What remains to be done, however, is to use the organised strength of the working class to actually put them on the dole.

Second Revolution in Cuba

By JP Morray
Monthly Press
Review

Review by Mike Waddington

FIDEL CASTRO and the 26 July movement came to power 25 years ago, in January 1959. It was not until 16 April 1961, two years later, that Castro first used the word, "socialist" in a speech. This of course did not make Cuba a socialist regime, but the significant fact is that Castro discovered his "socialist" terminology after he came to power.

The Cuban revolution represented a gigantic step forward. But it would be a complete mistake to imagine that it was carried out by a conscious Marxist revolutionary movement. The Cuban guerilla leaders, including Castro, started out as middle-class democrats whose model for society

was at first the USA. The nationalisation of the economy was carried out empirically and under pressure.

Thus Castro, far from being the architect of a new regime was more like the bricklayer who stands back to see what he's done.

JP Morray's book, *The Second Revolution in Cuba*, originally written in 1962, is an adulatory book about Cuba with no real criticisms of Castro, sometimes bordering on the mystical, for example, "what looks from the outside like a dictatorship of an individual is felt within to be the authorised instrument of a popular will" (pp 165-166).

Morray homes in on a crucial pointer to the fact that the regime in Cuba is not socialist—there are no "soviets", organs of workers' control, but then he tries to make the point irrelevant, "the Cuban revolution had its short periods of dual power. But the 2nd Cuban power was not a soviet. The civil war had not been fought primarily in Havana... it had been primarily a guerilla struggle fought in the mountains and in the provinces... the general strike that followed Batista's flight in January 1959 called by Castro won its goal so easily and enjoyed so much upper class support that it afforded no occasion for the development of organs of struggle... there were no Cuban soviets. Nevertheless", he adds, "the revolution... found its instrument in Fidel Castro" (p 14).

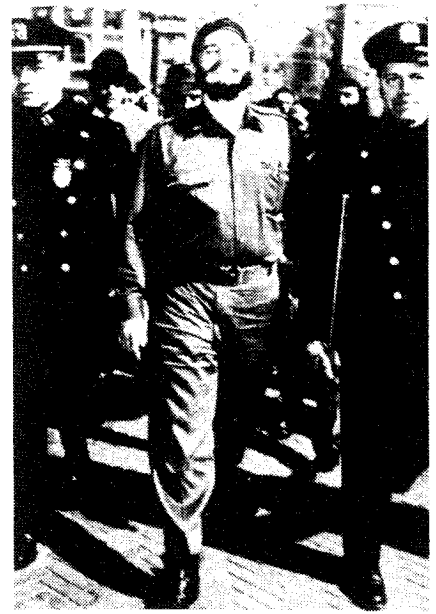
The importance of this book, however, is that it details the period between Castro the liberal and his transformation to Castro the 'Marxist'.

When Castro began the civil war with the attack on the Moncada barracks on 26 July 1953, he did so in defence of the liberal constitution of 1940—the dictator Batista having seized power in a coup in March 1952. Castro's ideas were best expressed by the 1776 American Declaration of Independence rather than Lenin's *Imperialism*. Castro's hero was Jose Marti, a liberal, described as the "Thomas Jefferson" of Cuba. Castro was not a member of the Communist Party. The rebel army fought under the three coloured stars and stripes of the Cuban republic and not the red flag of the proletariat.

For *Coronet* magazine, in February 1958, Castro wrote, "we have no plans for the expropriation or nationalisation of foreign investments" (p 4).

Even the *Readers Digest* reported there was "no evidence of Communism in the rebel army".

When Batista's rule collapsed in January 1959 Castro backed up his words with action: he appointed a Conservative anti-Communist judge, Manuel Urrutia, as the first president.



Castro initially sought aid from the US.

Urrutia had supported the regime of Batista originally, "but saw the tyranny, too rapacious and bloody, was provoking a dangerous and unpredictable spirit of rebellion." The overthrow of Batista was necessary because in the words of the Bar Association it was "the only one capable of channelling the rising tide of rebellion of our youth" (p 11).

A majority of the new cabinet were conservative supporters of America. The Finance Minister, Rufo Lopez, looked to private American investment as the principal hope of Cuban economic development. Castro was not even in the first government at all. He announced that all debts of the previous regime would be honoured and payments were made when they fell due. Castro said on many occasions that all he wanted to do was to bring the poor up without bringing the rich down. This was to prove impossible.

He used his influence to prevent strikes and even criticised workers who refused to set anti-government editorials in type.

Rents were, however, drastically cut, for the poorest sections in society and this action was instantly attacked by the capitalists. The press warned that an investment strike would be the result.

By March 1959, after barely three months of power, "the freeze of capital had begun. The investor class resorted to a national lock-out, thinking that this threat of economic paralysis would bring Castro to his senses" (page 35). Even so, Castro still held to the belief that there was a capitalist future for Cuba.

On 21 May 1959 Castro said, "this is not a red revolution, it is an olive green revolution and after this revolu-

tion there will be no other", (p 44).

But Castro despite his intentions, was subjected to other pressures, in particular from the peasants over the land question.

In May 1959 Castro "bitterly denounced the re-appearance of tactics, commonly enlisted in Spain in the 1930s" (p 47) of peasants' seizing the land. He therefore announced land reform. All estates greater than 979 acres were expropriated with compensation to be paid on the value declared in the landlords' tax returns.

We should add by the way that this act was denounced by the capitalists as "worse than communism" and they were making more than just a complaint, for the simple fact that the Communist Party of Cuba proposals were more "moderate" in that they exempted the largest sugar plantations from the reform!

The Communist Party held the Stalinist view that a period of national capitalism was the next stage for the revolution. In fact Morray is forced to say (page 33) somewhat ironically, "had he, (Castro) been a member of the Communist Party doubtless the revolution would not have come so soon"! That is an understatement.

The Communist Party had also been in alliance with Batista from 1938 to 1944. The United States government expressed its grave concern on behalf of the landlords over the land reform and the rent acts.

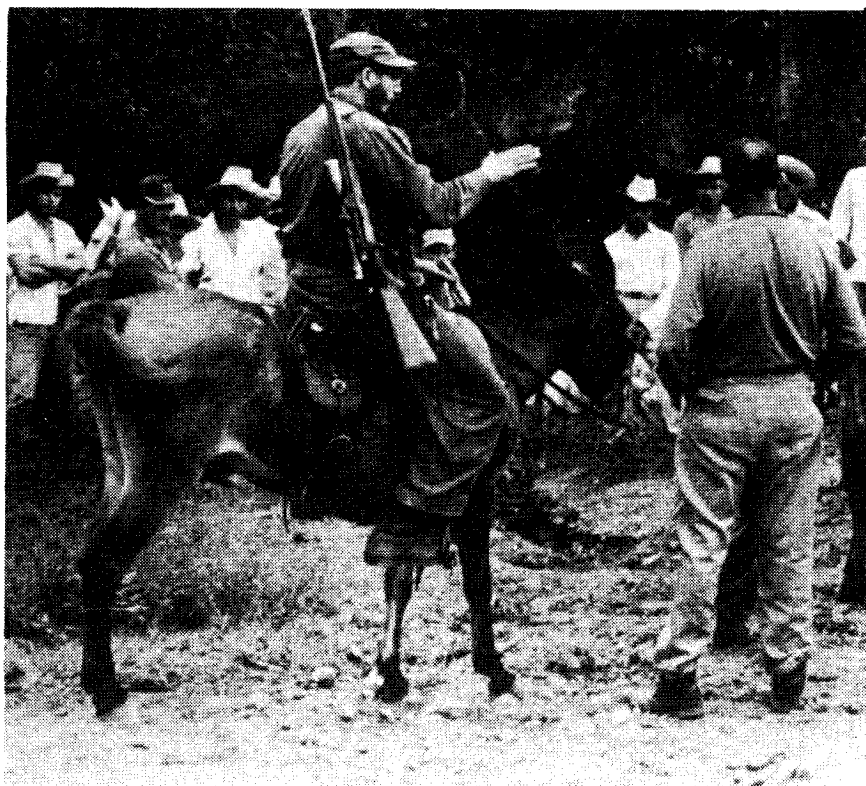
June also saw the first terrorist bombs going off in Havana, planted by counter-revolutionaries. Fire bombs were also dropped in plantations by the restorationists flying from Miami. The counter revolution had begun.

Richard Nixon, then the vice-president of America, said that in 1960 the United States government secretary decided, "to provide arms, ammunition and training for Cubans in preparation for an invasion" (page 104). The decision came over the sugar crop of Cuba. Castro announced that all Cuba wanted was to sell its sugar to the world and not receive loans or aid.

In July of 1960 the American government brought in a law to give the president the power to cut the Cubans' sugar quota to America.

Castro responded to this "dagger law" (as it was dubbed) with stand-by authority to nationalise all the American-owned enterprises in Cuba (page 97) "as they cut our quota pound by pound we will seize their mills one by one".

On 6 July 1960 all Cuban sugar imports to the United States were banned. Two weeks later the Soviet Union offered to take up the entire "banned" crop. On 6 August, 1960 Castro nationalised all American companies in



On the eve of the take over: Castro addresses his men in the mountains, late 1958.

retaliation for the sugar ban, and because of the sabotage and armed intervention of the capitalists. The American oil companies had been sabotaging the industry for some time, by closing plants and refusing to refine Soviet crude. Clearly the capitalists on whose behalf Castro had begun the war did not like being heirs to a revolution.

Compensation would be paid to the ex-owners of expropriated companies from a "sugar fund". Money raised from sugar sales in America!

On 13 October, 1960, the government nationalised all the remaining banks and 382 businesses, giving it control of 80% of the industrial capacity of the island. By 25 October they had nationalised the remaining parts of the economy. Capitalism was thus extinguished.

Having established a regime in the image of Moscow, Castro now discovered he was a "Marxist Leninist"! His party merged with the Cuban Communist Party, taking 15 of the 25 seats on the national directorate of the Cuban United Party of the Socialist Revolution.

The so-called socialist revolution of 1960 was clearly carried out against the original wishes and intentions of Castro and was forced upon him by the bankruptcy, active sabotage, and the flight of the national capitalists as well as Imperialism's complete inability to accept any change in its own back

yard. Morray makes the point, "the history of the maturing Cuban revolution would have been slower and rougher, had the United States not accelerated it by trying to reverse it". (page 96). The existence of the Soviet Union, a powerful example to Castro was the deciding factor. Castro could still give himself a position in society and at the same time improve the lot of the poorest sections of society.

Morray reveals the truth unconsciously, when he says, (page 166) "the changes in the government bureaucracy... are also changes of attitude to Marxism-Leninism rather than changes of personnel. In general, the same functionaries now keep their jobs by prudently professing Marxism-Leninism rather than shunning it as required in the past... the bureaucracy, a privileged sector, compared to other workers is not fully aware that there is a new master in the house; partly because the new master is not yet organised sufficiently to give the state its new 'general will'. The first had become last but the last have yet to become first". Cuba thus became a deformed workers' state. Castroism is thus a more radical sounding version of the Stalinism that exists in Russia and Eastern Europe.

This book is useful for the information it contains. Unfortunately, it is currently out of print, but those who are interested can obtain it from a public library.

International money and capitalist crisis—the anatomy of global disintegration

By EA Brett
Published by
Heinemann and
Westview Press,
1983 Price: £13.50

Review by Bob McKee

THIS BOOK is not easy to read if you are not steeped in a knowledge of capitalist economic theory. It is not made any easier by an academic approach no doubt rendered inevitable because it is a product of university research. Also Ted Brett's style is somewhat byzantine in his use of English grammar.

Nevertheless, the theoretical arguments presented by Ted Brett as an explanation of the growing international trade and financial crisis in the 1980s are well worth the effort of reading the book.

Ted Brett sets out to demonstrate that capitalism is not an economic system of balanced and stable growth, but one of uneven development inevitably breeding crisis. Capitalism develops unevenly by industrial sector, by region and by country because it is an unplanned, anarchic private profit system based on production for the market.

Far from developing harmoniously, as the spokesmen of capitalism claim, the 'free market' and 'free trade' system leads to inequality of production, income and wealth. There is a concentration, not an even distribution of capital accumulated, and this very uneven development leads to overaccumulation, crisis and slump.

Brett shows that the post-war attempts to equalise differential production and wealth through international credit and trade institutions, even in a period of unprecedented capitalist prosperity, did not succeed in stopping this uneven and anarchic development of world productive forces. Only the end of competing national capitalist states and the formation of a world governmental power could allow the proper planning of production and trade and make possible harmonious and equalising growth of

wealth.

Brett sticks closely to the Marxist view that the capitalist production process must inevitably lead to periodic crisis and slump, as the organic composition of capital creates a tendency for the overall average rate of profit on capital to fall. He argues forcefully that both the monetarist and Keynesian theories of capitalism are either wrong or inadequate. The classical capitalist economists denied the very possibility of slump, blaming any unemployment or general decline in production on "rigidities" produced by trade unions artificially holding up wage costs or monopolies unfairly controlling prices. After the experience of the thirties, the Keynesians recognised that a permanent slump was possible but believed that the solution lay in providing cheap credit. With the coming to the end in the mid-seventies of the long boom of capitalism, Brett shows that neither capitalist economic prescription can explain or overcome this new period of stagnation and slump.

Brett produces some useful empirical evidence to back up his argument that capitalism is a system of uneven development and crisis. When he refers to Lenin to explain how competing national capitalist states can never combine to plan production and trade harmoniously, he is on strong ground.

But his reliance on some of the ideas of Mandel lead him seemingly to contradict that view when he talks of an "an incipient international state system" or the "qualities of supranational state" being developed with the setting up of international institutions like Bretton Woods or the IMF. In his book on the European Economic Community written in the seventies, Mandel suggested that the EEC customs union could develop into some supranational state—directly contradicting Lenin's *Imperialism*. With the present state of the EEC, we do not hear that argument any more.

And Brett's own evidence clearly refutes the possibility of such a world order being formed under capitalism: he emphasises the collapse of the Bretton Woods monetary system in the 1970s and the complete non-starter of the Havana Charter of International Trade which was designed to distribute wealth more evenly.

Brett offers no alternative socialist policy to the discredited measures of the capitalist economists to deal with the crisis of the eighties, but to be fair he makes it clear that he does intend to do so. Within that limitation, the book makes a useful contribution to the understanding of world capitalist crisis, if you are prepared to go to the trouble of reading it.

God's Banker An account of the life and death of Roberto Calvi

By Robert Cornwall
Published by
Gollancz, 1983.
Price £8.95

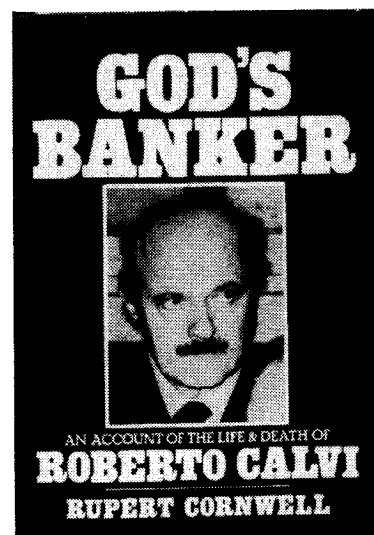
Review by Mick Brooks

IN THE summer of 1982 Banco Ambrosiano, Italy's biggest privately owned bank, suddenly went bust leaving \$1,300 million in debts. Shortly afterwards its chairman, Roberto Calvi, was found hanged under Blackfriars Bridge with his pockets stuffed with stones and banknotes.

Calvi's story is told in "God's Banker". This book should be read by anyone who doesn't believe that there is an Establishment, and by people who know the Establishment runs capitalist countries but want to find out how it operates.

The Banco Ambrosiano scandal is linked to the discovery of the P-2 Masonic lodge which virtually runs Italy.

"The membership lists amounted to little short of a parallel state. The names included those of two current cabinet ministers, large segments of Italy's military and secret service hierarchy ranging from the chief of the general staff and present heads of the Guardia di Finanza itself. No less than 50 generals and admirals, serving in or retired, featured on the lists. There were industrialists, financiers, diplomats, top civil servants, police of-



ficers... The slant of the P-2 was broadly anti-Communist and right wing. Attempted coups, more or less serious, were more than one between 1960 and 1975 in Italy, and several of those said to have been involved were to feature in Gelli's (head of the P-2 lodge) motley army. There are numerous pointers too that the P-2 may have had a hand in right wing terrorist outrages dotting recent Italian history, from the so-called 'strategy of tension' which emerged in the late 1960s to the Bologna station bombing of August 1980. The aim, presumably, to soften up public opinion for takeover by a more authoritarian regime."

Calvi, of course, was a member of P-2. But there are other connections between bankers and politicians "Even before the Ambrosiano affair, some three-quarters of the Italian banking system were owned by the State. And in many cases the senior posts are politically conditioned appointments, the accepted spoils of power..." These functionaries "moved like financial barracuda, acting sometimes on their own behalf, sometimes for their political patrons, but unfailingly with money from the public purse."

Another part of the network of power and social control is the press. Calvi's spectacular financial career involved using other people's money to buy political influence. He took over the affairs of the spendthrift heir to the fortune of a group of newspapers in Italy. The cost of the 'Corriere della Sera' group was money well spent. The group stuck up for Banco Ambrosiano right up to the end.

At the pinnacle of the Italian Establishment is the Vatican, sponsor of the ruling Christian Democratic Party. But the Eternal Church also has earthly needs. Its vast assets are controlled by the IOR (Institute for Religious Works), the Vatican 'bank'. "The IOR is best seen as an 'offshore' merchant bank in the heart of Italy, serving the universal Church—and, it has been said, not a few favoured Italians as well". IOR funds were made available to Banco Ambrosiano by its chairman, Archbishop Markincus. Markincus, a close associate of successive popes, is a name persistently linked with financial scandal. The swindler Michele Sindona took the Vatican for anything from \$30-300 million, but Markincus kept his post.

Sindona pioneered many of the methods later used by Roberto Calvi. He used not only the Vatican but that other wing of the Italian Establishment, the Mafia. Calvi likewise resorted not only to smears and dirty tricks but also to gangster methods to throw the Bank of Italy off his tail. In-

vestigator Ambrosoli was shot dead in a contract killing.

Calvi, then, was at the centre of the Italian establishment. He managed to have close connections with both the Catholic Church and freemasonry, traditionally hostile powers. He built up the Catholic Banco Ambrosiano as his personal vehicle. The Bank was actually named after St Ambrose, who had said "It is nature itself that has given birth to the right of the community whilst it is only unjust usurpation that has created the right of private property."

In detail Calvi's swindles were immensely complicated, involving the creation of a web of shell companies in Liechtenstein, Panama and Nicaragua. Money was pumped round and round, though much of it dropped off en route to grease the palms of politicians. The Christian Democrats admitted receiving \$3 million from Sindona "but the true figure probably was considerably higher." Calvi carried on the tradition, bailing out loss-making Christian Democratic papers.

A socialist might expect the ruling capitalist party to be up to its neck in corruption. But representatives of the workers' parties were also sucked in. Calvi always knew how to play both ends against the middle. As a young man he furthered his career by joining his university fascist association. But by 1944 he went everywhere with two party cards—one for the fascist party and the other for the 'socialist' Party. His own views of course were true blue. "Calvi expounded with conviction on the need for freedom, and to contain the Communists."

Bettino Craxi, leader of the Socialist Party and now Prime Minister of Italy, was drawn into the net. ENI, the Italian state owned oil company, which is the fourth biggest corporation outside the USA, is used by the parties as a pork barrel. Craxi led the struggle for Socialist Party money and influence within ENI. He moved on from there. Calvi persistently claimed Craxi as his political sponsor. In return the Socialist paper *Avanti* consistently supported Calvi and Banco Ambrosiano as the rumours grew. At his first trial "a legal expert of the party claimed that the judges had been deliberately picked for their bias against Calvi. The magistrates were using warrants 'like bludgeons' and their power should be reduced". Craxi in person complained of the judiciary's rash and intimidatory use of its authority.

The joke runs that only three institutions work in Italy: the Communist Party, the Vatican and the Bank of Italy. We have already seen the Vatican's involvement and the Bank of Italy stopped in its tracks. By



Ligio Gelli, grandmaster of the P-2 Lodge.

June 1982 the Communist Party also owed Ambrosiano 11 billion lire, plus 20 billion owed by their paper *Paese Sera*...

Indeed Calvi's influence reached to the most surprising quarters. When he set up shop in Nicaragua he "was on good terms not only with the then dictator Anastasio Somoza, but also with the ever more menacing Sandinista opposition." In 1979 'Ambrosiano's subsidiary was the only (foreign bank) not to be nationalised by the new revolutionary regime'.

Calvi surrounded himself with eight gorillas 24 hours a day, and a fleet of armour plated Alfa Romeos with bullet-proof tyres at a cost to the bank of \$1 million a year.

Even as the smell of the swindle wafted towards the noses of the public, Calvi retained his connections. He got his passport returned by the Italian magistrates so he could flee the downfall of the Banco Ambrosiano complex. Filletti, deputy chairman of the Upper Council of Magistrates was found to have been provided \$800,000 in a secretly numbered Swiss bank account.

Even after Calvi's mysterious death, rumour and speculation grows. Was he involved in a right wing terrorist network? In gun-running to the middle East? This can of worms will not so easily be closed.

And is this tale just something that happens in Italy? If so why did the London coroner virtually instruct the jury to bring in a verdict of suicide—a clear cover-up?

Calvi is dead but the Establishment still rules.

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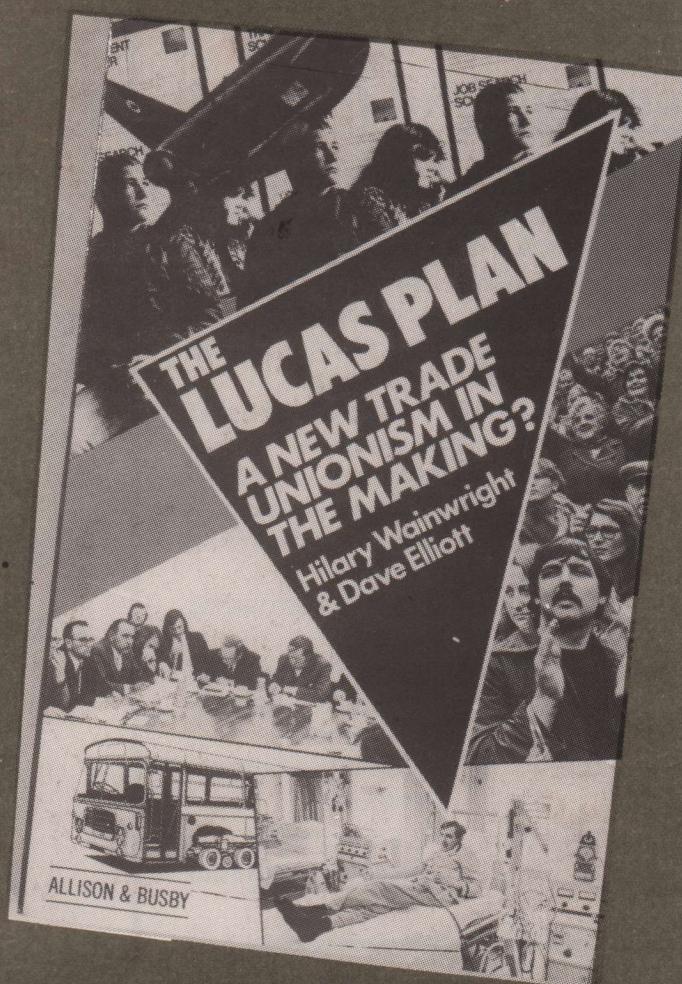
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