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Venezuela

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Hugo Chávez's defeat in December's referendum marks a key point in Venezuela's revolution. The high abstention rate indicates a growing frustration at the slow pace of change. Meanwhile, the right-wing opposition has been emboldened by its victory.

The 69 proposed amendments to the 1999 constitution included giving greater power to the president, allowing Chávez to stand for more than two terms, establishing 'popular power', declaring Venezuela a 'socialist Bolivarian' state, and reducing the working week from 44 to 36 hours. These amendments were rejected by 50.7% to 49.2% of those who voted, with a high abstention rate (44%).

The rejection of these proposals poses important questions about the future of the revolution and the dangers now facing the working class and masses. It highlights the need for all socialists, in Venezuela and internationally, to analyse the current conjuncture of the struggle against capitalism and landlordism, and the tasks facing activists in the movement.

The referendum defeat represented a setback for the working class and has helped to strengthen the right-wing, pro-capitalist opposition. The Committee for a Workers' International (CWI) and its supporters in Venezuela supported a 'yes' vote. This was in spite of the important limitations of the proposals, some of which were designed to increase the central powers of the presidency and allowed the right-wing to portray them as 'dictatorial'. Despite these weaknesses it would have been a mistake to support an abstention or boycott as some did on the left, like trade union leader Orlando Chirino. A victory for the 'no' vote has left those who urged a boycott more isolated from the activists, making it more difficult to raise criticisms of the deficiencies of the leadership.

It is a serious, although not yet decisive, defeat. But it is urgent that the lessons are learnt if a more serious defeat is to be avoided, and the revolutionary process taken forward.

As the CWI commented at the time, the coming to power of Hugo Chávez represented the beginnings of an important change in the international situation. Chávez's election was a decisive rejection of the neo-liberal policies which had dominated the 1990s following the collapse of the bureaucratic dictatorships

and planned economies in the former Soviet Union and Eastern Europe. His government was not prepared to tamely bend the knee to the demands of imperialism and introduce neo-liberal policies.

Initially, Chávez did not speak of socialism but limited himself to the idea of a 'Bolivarian revolution'. His populist, nationalist regime and the radical reforms he introduced rapidly came into conflict with US imperialism and the ruling oligarchy which had ruled Venezuela for decades. They organised a series of attempts to overthrow his regime. Each of these – an attempted coup in 2002, a bosses' lock-out in 2002/3, an attempted recall referendum in 2004 – was defeated by a spontaneous movement of the masses rallying to defend Chávez.

These conflicts between the masses and the ruling class provoked political radicalisation at each turn. This was reflected in Chávez eventually declaring that the 'revolution' was not only 'Bolivarian' but 'socialist'. He proclaimed that Venezuela was embarking on a road to construct 'socialism in the 21st century'. Following his election victory in December 2006, he went further and announced his support for Leon Trotsky's Transitional Programme, and Permanent Revolution.

Against the background of the global ideological offensive against socialism conducted by the ruling class and its representatives in the former mass parties of the working class, these developments represented and still represent important steps forward. They were enthusiastically welcomed by a new generation of workers and young people who looked towards Venezuela and Cuba – more recently, Bolivia, following the election of Evo Morales, and now Ecuador – as a radical left counterweight to Bush, Blair and neo-liberal capitalism.

While in other countries the application of neo-liberal policies resulted in cutbacks and attacks on the working class, the Chávez government introduced a series of popular reforms, which we supported, as explained in many previous articles and pamphlets (CWI website: www.socialistworld.net). They have been financed by the high price in oil on the world market and economic growth, which has particularly benefited the middle class.

Poverty & alienation

Nonetheless, massive social problems continue, with high levels of poverty remaining. Frustration at the failure to resolve these problems, coupled with anger about growing corruption, bureaucracy and top-down administrative methods paved the way for the referendum defeat. Unemployment officially stands at nearly 10%. Food shortages, inflation over 20% and a massive housing crisis cannot be resolved while the capitalist system continues. The shortage of 2.7 million houses, with a further 1.3 million dwellings little more than self-built shacks, illustrates how desperate the situation remains for millions.

The poverty and alienation from society are reflected in high levels of crime, especially murder, which affects the main cities. In 2000, the murder rate in Venezuela was 33.2 per 100,000, compared with 1.1 in Japan and 5.51 in the USA. Since then the situation has only worsened and the capital, Caracas, is now more violent than Rio.

During November 2007, eleven murders per day were reported in Caracas. An estimated 1,000 people were kidnapped and ransomed during 2006. Violent crime is now a major issue as the government is seen as having failed to deal with it. Some may argue that it is unfair to blame Chávez for high levels of crime. Crime will exist in societies which are blighted by poverty and social deprivation. Ultimately, it can only be resolved on the basis of ending capitalism and the social conditions it creates.

However, this is a crucial question and it is necessary for the workers' movement to take it up in a practical way. The police, as part of the capitalist state machine, are riddled with corruption and it is necessary to fight for democratic control of them by the community. At the same time, this needs to be linked in Venezuela to the local communities organising to defend themselves from violent criminal attacks and gangs. One of biggest weaknesses of the movement is the absence of a conscious, organised, independent movement of the working class and poor. If this existed, the building of democratically elected councils in the local communities could be linked to forming neighbourhood defence committees. These could have taken measures to drive out mafia-type criminal gangs and offered an alternative to the youth who are drawn into them.

Break with capitalism

The social and economic problems which continue to blight Venezuelan society arise from the continuation of capitalism. Chávez's speeches and propaganda supporting 'socialism in the 21st century' are not the same as a programme to achieve it.

The high levels of poverty, together with a growth in corruption and bureaucracy in the government and leaderships of the trade unions and community and social organisations, have exacerbated the frustration, anger and disappointment amongst growing layers of workers and the poor, especially in urban areas. This and the failure of the revolution to advance have given rise to a certain impasse in the situation. Possibly, the disappointment is less in the rural areas which have benefited most from many of the reforms, but it is widely felt in the cities.

This has arisen from the failure to decisively break with capitalism and establish a workers' and peasants' government based on a democratically planned, socialist economy. Many clearly felt they could show their frustration by not voting as there was not the immediate threat of counter-revolution. If this impasse is not broken, however, counter-revolutionary forces will grow and eventually threaten the defeat of Chávez.

Additional dangers now face Chávez and his regime. While the reform programme has been financed largely through the rising price of oil, this can change with the onset of a crisis in the world economy. This can trigger a fall in oil revenue and result in the rolling back of the reforms.

Between 1974-79, the left-of-centre nationalist, populist regime of Carlos Andrés Pérez introduced some significant social reforms which were paid for by rising oil prices. By 1979, oil had reached \$80 per barrel. Yet these reforms were wiped out in the 1980s as a major economic crisis hit Venezuela following a crash in oil prices to \$38 per barrel. Those living below the poverty line rocketed from 17% in 1980 to 65% in 1996. This is a warning to Chávez and the working class if capitalism is not replaced by a democratically planned, socialist economy.

Unfortunately, some on the socialist left have regarded such warnings as 'hair splitting' and 'sectarian'. Only now, when faced with the reverse in the referendum, have they belatedly woken up to the dangers and begun to echo the warnings. This is reflected by the International Marxist Tendency (IMT) which has sought to try and act as benevolent advisers to Hugo Chávez. Following the referendum defeat it criticised a dangerous "illusion in the leadership and the masses themselves that the revolution was some kind of triumphal march that would sweep aside all obstacles". (Alan Woods, *The Venezuelan Revolution at the Crossroads*, 11 January)

However, the Venezuelan group of the IMT seems to have fallen victim to exactly this danger, underestimating the dangers facing the movement and the prospect for the counter-revolution to strike back and score some successes. Two days prior to the referendum an article on the IMT webpage predicted: "And

we do not doubt that the majority's decision will be in favour of a YES... The victory of the YES on December 2nd is the first step on this road".

Referendum warning

The consequences of the failure to defeat capitalism are beginning to erode the enthusiasm for Chávez and his regime. Significantly, 44% abstained in the referendum and the 'yes' vote was three million fewer than the number of votes cast for Chávez at the presidential elections in December 2006. The number voting 'yes' was one million less than the claimed membership of the recently launched Partido Unificado Socialista de Venezuela (PSUV).

Moreover, the 'no' vote triumphed in the nine most populated of the 23 states and in 13 of the largest cities, including Caracas. The 'yes' vote won in 14 states which are the most rural and less populated. In the capital, previous bastions of 'Chavismo', like Petare, Caricuao and Catia registered a substantial 'no' vote and a high level of abstention. Overall, the right-wing won 300,000 more votes than it did at the last presidential election.

The warning signs could be seen in the presidential elections in December 2006. Despite the fact that Chávez won a clear majority, the right-wing, pro-capitalist opposition began to reunify itself around Manuel Rosales and emerged strengthened. The election campaign was marked by bigger right-wing rallies and a lower level of participation from Chávez supporters. The masses eventually rallied behind Chávez when the threat of a defeat appeared as a serious outcome.

The low level of activity and enthusiasm in the election campaign reflected a growing sense of frustration and anger at the failure to take the revolution forward. Despite the immensely popular reforms that have been introduced in health, education and food subsidies, the continuation of capitalism has resulted in high levels of unemployment, food shortages, rising inflation, a massive housing crisis and growing bureaucracy and corruption. In addition to these social problems, the explosion in crime, especially violent crime, have begun to lead to frustration, and even disillusionment amongst some sections of Chávez supporters.

These issues have also allowed the right-wing opposition to rally sections of the middle class behind its banner. The threat of a right-wing victory in the presidential elections provoked a turnout in support of Chávez. Yet the same direct threat was not seen by the masses in the referendum to change the constitution. Although Chávez still has some room to manoeuvre and would probably win an election were it held today, this defeat is a serious warning of the

processes that are taking place.

Right-wing resurgence

The effects of the social and economic problems were re-enforced by some mistakes by Chávez which have played into the hands of the opposition, which plays on people's fears, especially sections of the middle class. They have accused Chávez of introducing a 'creeping dictatorship'. The CWI warned that the decision to revoke the licence of RCTV (a right-wing, pro-opposition television station) would allow the opposition to regroup and reorganise itself. We wrote: "Unfortunately, the revoking of the license of RCTV, because of its timing and the way it has been done, is a tactical mistake by the Chávez government that has played into the hands of the opposition". (RCTV and the Question of the Media, 20 July 2007) This issue became a central point around which the right-wing was able to rejuvenate and mobilise its forces. Large protests were called with the support of previously passive middle-class students.

These concerns were further re-enforced by some of the proposed amendments to the 1999 constitution, which attempted to strengthen the powers of the presidency without a democratic counterweight, and included strong bonapartist elements. The limit on the number of times a candidate could be elected was to be removed and the presidential term extended from six to seven years – as in France during Charles de Gaulle's fifth republic. A democratic workers' state is not the same as a bonapartist regime. In a genuine workers' democracy the question of who is formally president and for how long would be immaterial. However, Venezuela is not a workers' democracy and this issue was perceived by a layer of society as an attack on democratic rights and was seized upon by the opposition.

The president, not the national assembly, was also to have the power to appoint all military officers. The president was to get the right to designate new political/geographical areas, such as federal municipalities, and nominate the respective authorities to run them. There was no definition of the power or functions of these authorities and territorial districts. Other proposals included the removal of the 'right to information' in the event of a declaration of a state of emergency by the president. Socialists defend the right of the Chávez government to take any measures necessary to defend itself from another attempt by reaction to take power, through another coup, for example. Yet this is not a matter for the constitution. By making it one it gave the opposition another club to beat the government with. While the opposition whipped up its middle-class supporters, sections of Chávez's traditional supporters were confused by the campaign.

This was re-enforced by a rising anger against the growing bureaucracy and its top-down approach, and the absence of a genuine system of workers' democracy and active, conscious participation in the struggle by the masses. While Chávez supporters in general were not prepared to go over and support the 'no' vote, they stayed away from the polls. According to reports from CWI members in Venezuela, many now regret this decision.

One of the tasks facing Marxists and the working class in any revolution is to try and win the support of the middle layers of society – students, professional people, small shopkeepers, etc – who are also exploited by capitalism politically and economically. The socialist revolutionary movement needs to try and convince them who their real enemies are and that they have nothing to fear from socialism. On the contrary, a socialist society can offer a solution to their problems and embrace their talents and skills. Unfortunately, the attitude adopted by Chávez has given a weapon to the right-wing to try and whip up support amongst these layers.

Marxists do not simply lump the middle class and all those who voted 'no' together as one reactionary mass. This wrong approach was echoed by the IMT immediately following the referendum. Woods simply denounced "...the small shopkeepers, the student 'spoilt brats of the rich', the government clerks, resentful at the advances of the 'rabble', the pensioners nostalgic for the 'good old days' of the Fourth Republic... all these elements appear as a formidable force in electoral terms, but in the class struggle their weight is practically zero". (The Referendum Defeat – What Does it Mean? 3 December 2007)

The setback has left the opposition rejuvenated and points to the developing threat from the counter-revolution. At the same time, it has not yet resulted in a decisive defeat for the movement. Should the right-wing overreach itself, it could provoke a reaction from the masses and push the movement further to the left. There remains some time for the necessary lessons to be drawn that will allow capitalism to be overthrown and conclusively defeated.

But there is renewed urgency, a race against time, as the counter-revolution will try and capitalise on the current impasse. A rapid change in the economic situation and fall in the price of oil could accelerate these developments and give the opportunity for the right-wing to strengthen its forces and prepare the ground for a more decisive defeat for Chávez and the masses.

It is urgent that a balance sheet of the experience of the workers, youth and masses is drawn up from the different stages of the struggle since Chávez came to power. To this, crucial lessons from the arsenal of the working class internationally need to be added to as-

sist the workers and youth draw all of the conclusions necessary to ensure that the counter-revolution is conclusively defeated and a democratic socialist transformation of society is carried through.

Economic power

While proclaiming his support for building 'socialism in the 21st century', in practice, Chávez has tried to construct a 'parallel' economy and state, alongside the existing monopolies and state machine. Although Chávez has increased state intervention in the economy, he has not nationalised the major banks or monopolies which remain in private hands. He has so far limited nationalisation to the steel company, Venepal, and the telecommunications and electricity companies, CANTV and EDC.

Despite the hysterical attacks on Chávez by US imperialism, as a consequence of economic growth in the private sector (which has outstripped the public sector), the private sector now accounts for a bigger share of the economy than it did before Chávez came to power. (Pro-Chávez report by the Washington-based Center for Economic and Policy Research, The Venezuelan Economy in the Chávez Years, July 2007)

Despite verbal threats by Chávez to nationalise the banks, he has not done this. Based on a credit boom which has benefited the middle class, Venezuelan banks have become the envy of the capitalist banking world. Profits in the banking sector were up 33% in 2006. Returns on equity reached 33% above the international norm.

The state-run supermarkets, Mercal, while selling cheap food to the poor, are in competition with the major food chains and supermarkets. While under certain conditions – 'dual power' for example – elements of a 'parallel' economy may be able to edge forward and make some progress, such a situation cannot last indefinitely.

For Marxists, a situation of dual power can arise where the ruling class is no longer in control of the economy or state because it is being challenged by a revolutionary movement of the working class. While challenging the ruling class to the extent that it is no longer able to govern or rule society, however, the working class has not yet taken power into its hands and defeated the capitalist ruling class. This situation will either result in the working class taking over the running of society or the ruling class reasserting control.

The capitalists will fight to the bitter end to try and prevent the state sector gradually assuming more and more power until it 'overtakes' the economic and state levers of power. Where necessary they will re-

sort to brutal military dictatorships to prevent such a development taking place. Yet encroaching gradually into the capitalist economy is exactly what Chávez has been attempting to do. At the same time, he has left economic power in the hands of the capitalists who have used it to manufacture shortages of coffee, rice, beans and other basic foodstuffs as a means of striking back at state-controlled prices.

These shortages were an important factor in the opposition's referendum campaign. In an opinion poll in November 2007, 75% of Venezuelans thought the food shortages were being created by the employers to sabotage the government. In a poll taken in the week running up to the referendum, however, a majority blamed the inefficiency and corruption of the government.

It is not possible to skin a tiger by removing one claw at a time from its paws. So it is not possible to take control of the capitalist economy by gradually encroaching on one monopoly after another. In fact, Chávez has not even done this. The Venezuelan economy is highly monopolised. Five big oligarchic families – Cisnero, Mendoza, Caprile, Boulton and Phelps – together with the banks control the decisive sectors of the economy apart from oil. None of these conglomerates have been touched by Chávez.

The failure to nationalise these monopolies has left the ruling class in control of the economy. As a result, during the recent economic boom, which has increased state expenditure on some public works programmes, massive profits have been made. At the same time, they have had a free hand to organise economic sabotage as a means of undermining the government.

Slowdown signals

These factors were all reflected in the referendum. Yet, rather than grasp that this defeat reflected frustration, disappointment and a certain impasse in the situation, it is the masses who are blamed for their 'lack of understanding'. On his weekly TV phone-in, Alo Presidente, on 6 January, Chávez said he recognised that the popular sectors and the state apparatus were not "prepared for what would be involved in a constitutional reform that deepened socialism". More threateningly, he declared that they (the people of Caracas and other cities) "...have a debt with me. I have it noted down in my agenda. We will see if they will pay it to me or not". (Spanish daily paper, ABC, 9 December 2007)

This method of dealing with setbacks and defeats is an echo of what the leaders of the communist parties and socialist reformists have argued historically during revolutionary movements, like Chile 1970-73 or the Spanish civil war in the 1930s. They justified not

moving to decisively defeat capitalism by claiming that the masses were 'not ready', and that it would provoke reaction.

Having initially blamed the lack of understanding of the masses for the defeat, Chávez concluded that he has no choice but to 'slow down the speed of march': "The vanguard cannot separate itself from the masses. It must be with the masses! I will be with you and for that reason I must reduce my speed". (6 January)

Marxists do not adopt a sectarian approach towards the masses and ignore the existing level of political understanding and awareness that exists. That would result in advancing political slogans and initiatives that are not understood and would cut genuine revolutionaries off from the masses. Marxists engage in a political dialogue, the exchange of ideas and experiences, and advocate slogans and demands which help the masses move forward in the struggle, assisting them to draw the necessary conclusions about the programme, tasks and methods needed to achieve socialism.

This is not the same as using this issue as a reason to 'slow down the march' of the revolution. The 'slowdown' included a cabinet reshuffle in January. It was largely a question of reallocating ministerial portfolios among existing ministers. Significantly, however, the former vice president, Jorge Rodríguez, was removed and replaced with the former housing minister, Ramón Carrizales. Rodríguez's appointment one year earlier had been heralded as a swing to the left which ushered in the 'drive towards socialism'.

The slowing of the pace of reform seems likely to begin with an easing of price controls which the government had previously introduced. By loosening them the government hopes to pacify the food producers and distributors who had retaliated by creating shortages and bottlenecks in distribution. These were acts of sabotage which the government failed to face up to by nationalising the food monopolies.

Behind this 'slowdown', Chávez is attempting to establish a 'national consensus' and placate the capitalists. In the Alo Presidente broadcast, Chávez argued: "Improvements are needed in our alliance strategy. We can't let ourselves be derailed by extremist tendencies. We are not extremists nor can we be. No! We have to pursue alliances with the middle classes, including the national bourgeoisie. We can't support theses that have failed in the whole world, as the elimination of private property. That is not our theses".

In other words, when faced with defeat in the referendum, Chávez concludes that an agreement needs to be reached with the ruling class. Socialists do not advocate the elimination of all private property, such

as nationalising every small business or taking away people's houses. However, it is necessary to nationalise the major monopolies and banks which control the economy, and introduce democratic workers' control and management if socialist planning of the economy is to take place. Chávez also declared an amnesty for some of those involved in organising the coup in 2002, to "send a message to the country that we can live together despite our differences".

No third way

Chávez is returning to the position he put forward before he endorsed the idea of socialism, that of a 'third way'. This was based on the mistaken view that it is possible, by working with 'progressive' sections of the national capitalist class, to end poverty and corruption, and develop a more 'humane capitalism'. This echoes the 'stages theory' supported by Stalinists and some reformist socialists in the past. They argued that, before it was possible to overthrow capitalism, it was necessary to develop industry and the economy in the semi-colonial countries in conjunction with 'progressive capitalists', postponing the question of socialism to the distant future.

Such ideas led to the defeat of the working class in the Spanish civil war and Chile in 1973 and have never resulted in its victory. In the modern era, the ruling class of the semi-colonial countries is linked to imperialism and is unable to develop society. This task falls to the working class, with the support of other classes exploited by capitalism, and is part of the socialist transformation of society.

This is not the first time Chávez has attempted to appease the ruling class. It is a repetition of what he argued following the collapse of the right-wing coup in 2002. He urged people to return home, appealing for national unity and the building of a national consensus.

Even the IMT has been compelled to recognise this is a wrong policy: "'Helped' by his reformist advisers the president has drawn some incorrect conclusions from the referendum". (Woods, *The Venezuelan Revolution at the Crossroads*, 11 January) Surely Chávez has some responsibility in this as well.

Woods argued earlier that "Chavez has grasped the fact that the revolution needs to make this qualitative leap". (*Encounter with Hugo Chávez*, April 2004) Again, in *The Nationalisation of Venepal: What Does it Signify?* Woods assured his readers that "President Hugo Chávez has consistently revealed an unerring revolutionary instinct". (21 January 2005) Yet neither of these characteristics has been shown in the 'incorrect conclusions' drawn by Chávez.

Chávez, addressing the opening congress of the

newly formed PSUV, was compelled to recognise that the government remains blighted by 'inefficiency, bureaucracy and corruption'. He also laid stress on the need to solve the "persistent problems such as crime, food shortages and inflation". "Why has milk disappeared? Why does insecurity continue to be such a problem... Why have we not been able to restrain corruption, let alone defeat it?"

These are very important questions. Unfortunately, Chávez's answer was that 2008 would be the year of the 'three Rs': 'revision, rectification and re-launching'. Yet the problems he identified cannot be solved by 'slowing the revolution'.

Developing class consciousness

A few days later, Chávez appeared to swerve back to the left. In *Alo Presidente* on 20 January, addressing the food shortages, he threatened the nationalisation of the land and banks. This is not the first time he has threatened the banks and other sectors with nationalisation, and it is not at all certain that it will be carried out. It is not an accident that this threat was made during the PSUV congress and will be used to try and undercut criticism by some activists of his swing to the right. At the same time, it illustrates how his regime can still swing back to the left and adopt more radical, left measures including nationalisation.

Bureaucracy and corruption are crucial problems facing the movement in Venezuela. Yet, without a genuine system of workers' control and democracy, a real struggle against them is not possible. This reflects one of the main weaknesses in the movement. Carrying through the socialist revolution requires the conscious, independent organisation of the working class, supported by the youth, urban poor, radicalised sections of the middle class and others exploited by capitalism. Because of its collective class consciousness, which develops because of its role in production, the working class needs to play this decisive leading role.

This has not been reflected in a fully conscious or organised way yet in Venezuela. Without this conscious check from below, the development of bureaucratic methods will inevitably emerge in any revolutionary or workers' movement. From the beginning, Chávez and the leaders of the movement have adopted a top-down approach. The regime has been content for the masses to support them – and move into struggle when the threat of counter-revolution was sharply posed – but the masses have not been consciously in the leadership of the movement.

The establishment of the PSUV can offer an important opportunity to build a new mass party of the working class which, with a revolutionary socialist programme, can become an important weapon to

take the revolution forward. At the time of writing its first congress is taking place, attended by 1,600 delegates (and scheduled to last up to two months!) The PSUV claims over five million have registered to join, although it remains unclear if these are people mainly joining to build a socialist party or people registered by local organisers from the electoral register.

If the PSUV is to become an instrument for a successful revolution it will need a fully active rank and file, and not only be an amalgam of the membership of the existing pro-Chávez parties. The right to form tendencies and allow democratic debate will be essential if the party is to develop into an effective weapon for the working class rather than become a tool for the government.

Unfortunately, the PSUV was launched from the top down with Chávez appointing a committee involving two former generals to set it up. In January, Jorge Rodríguez was charged with the 'general co-ordination of the PSUV'. The CWI supports fighting for a fully democratic PSUV with a revolutionary socialist programme.

The democratisation of the trade unions and the building of democratically elected committees in the workplaces to establish a system of genuine workers' control are among the most urgent tasks. Similar committees need to be established in the communities and in the army rank and file. Linked on a district, citywide, state and national level, they could form the basis for a workers' and peasants' government. Through the nationalisation of the five family conglomerates and banks, a democratic, socialist plan of production of the economy can be drawn up.

This would open up the possibility of forging links with the mass movement in Bolivia and, together with the establishment of genuine workers' democracy in Cuba, could allow the development of a democratic socialist federation of these countries. This, in turn, could be a springboard to develop the socialist revolution throughout Latin America. Such a path is the surest way of defeating the threat of reaction which, as the referendum defeat illustrates, is growing if capitalism continues to exist.

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