



WORKERS' CONTROL IN PORTUGAL

A REPORT FROM THE RUSSELL COMMISSION

Introduction

At its inaugural conference in December 1975 the Russell Committee for Portugal resolved to send a number of Commissions of Enquiry to Portugal, in order to report upon the state of affairs in that country. The first Commission arrived in Lisbon in January 1976, and began work on a major investigation of the condition of political prisoners. It allowed widespread publicity in the Portuguese press.

The second Commission of Investigation was charged with the task of reporting on the scope and extent of the movement for workers' control in Portuguese industry. Teams were sent to Lisbon from Paris and London. The British members of the second Commission were Chris Goodey, who is a member of the Editorial Committee of the Bulletin of the Institute for Workers' Control, Ray Ellis the President of the Derbyshire Area of the National Union of Mineworkers and Joe Burke, President of the Kent Area of the same union.

The following report was compiled by the three British Commissioners for publications in England. Subsequent reports from the Russell Commissions will be published in a variety of European languages.

The Portuguese General Election of April 25 1976 has not "solved" any of the problems outlined in the following report for either side. They will remain, not only because the new government will not take office until after the Presidential elections in summer, but because elections do not solve things like this at the root. However, there is no doubt that they will influence the outcome. The elections gave the Socialist Party 106 seats, the (right-wing) Popular Democrats 71, the (further right) Social Democratic Centre (CDS) 41, and the Communist Party 40. The scope for a government to preserve the gains of the Portuguese revolution therefore exists: whether advantage will be taken of it remains to be seen. If the advantage is not taken, then the ensuing political deadlock will strengthen the hand of that section in the Revolutionary Council of the Armed Forces (the "guardians of the constitution"), currently a minority, which wants to stay actively in everyday politics. Since this section is that which is also most sympathetic to the preservation of the gains of the last two years, it confirms our view that there is still a lot at stake in Portugal. Events elsewhere in Southern Europe may also provide further backing. However, with inflation likely to hit 100% this year, exchange reserves gone, and unemployment at 20% (thanks to the multinationals), the reaction has powerful weapons. Solidarity with the Portuguese working people is therefore not a dead issue, and we hope that this report will assist those who are still active on their behalf.

Workers' Control in Portugal

A report by the British members of the Second Russell Commission of Enquiry organised by the Russell Committee for Portugal

The Russell Committee on Portugal's second commission of enquiry, into the current situation concerning the advances made towards workers' control and the general state of the economy since November 1975, took place in February 1976. The commission was able to visit many factories and to hold discussions with members of the workers' commissions, trade union officials and members of the government. Its findings are therefore based on the evidence of a wide range of people from both inside and outside the workers' movement.

The extent of workers' control and the situation of the workers' commissions has evidently changed since November 25, but one thing at least remains the same: the rich and enormous variety of forms of organisation which the Portuguese workers have created. The term "workers' commission" still covers a multitude of forms: from small single-proprietor enterprises where the owner has been replaced by an elected committee of workers who are running them under full self-management, to those where the commission has not yet attained even the powers of a works council. In between these extremes there are many other forms, examples of which will be given below.

In spite of the marked change in political direction in Portugal since November 25, the general situation in which the economy, and more particularly the native Portuguese capitalists, find themselves has meant a much slower and more feeble attempt to reduce the power of the workers at the grass roots than might have been expected. Of course there are many things acting in favour of such attempts, but these are counteracted by the powers which the working class has achieved on a *de facto* basis since April 1974. Among the disadvantages for working people is the fact, for example, that none of the basic labour legislation (as opposed to decrees, whose legal character is considerably less binding) has been enacted in Portugal since the revolution – neither under the fifth government nor under any other. There is no right of appeal against wrongful dismissal, no social security for strikers' families: therefore the social democratic framework which makes fighting that much easier is lacking. This can be offset by the dire need and sheer militancy of workers, particularly when it is a question of jobs rather than wages and therefore of occupying the factory, but this militancy cannot last indefinitely at such a level. If the working class is not going to have the kind of scope for activity which the events of a few months ago were pointing towards, it is going to need something more substantial than the immediate wave of initiative launched by the revolution. The new constitution contains basic legislation on workers' rights, though the application of this in the period of only relative governmental stability which Portugal is entering cannot be foreseen.

Secondly, it is clear that workers' control remains (as it was before November) a localised phenomenon; although "popular power" was eventually enshrined in the ideals of the Armed Forces Movement and is indeed referred to in the new constitution, there is no question of workers taking part in economic or social decision-making *at national level*, and even the position of nationalisation in the long-term "progress towards socialism" laid down in the constitution is not clear. However, it is "inconceivable", according to the Minister for Co-operation Vitor Crespo, that any of the nationalisations of large-scale enterprises undertaken during or before the fifth government should be reversed (this includes the banks — which control large areas of key industries — and the shipyards).

The ground won by workers' control in Portugal before November was therefore largely localised within single enterprises, and furthermore within manufacturing enterprises: distribution and commerce has been left untouched in businesses of any size, untouched not only by workers' control but also by government and remains one of the biggest threats to self-managed or co-managed manufacturing enterprises.

The commission's chief task, therefore, lay in assessing to what extent there had been any setbacks since November in the sphere of workers' control in individual enterprises, given that the scope of this control would vary enormously from place to place, as would the workers' own interpretations of what it meant.

Two crude and basic distinctions need to be drawn. First of all there is the distinction between what is actually happening in the factories and the legislative notions of "workers' control" on the part of the members of the government. The two things are not exactly the same. Secondly, we have to distinguish between small enterprises (of which there are many in Portugal), very large enterprises, and those in between. We shall deal with the first of these questions later.

Workers' control in the sense of moves towards enterprise self-management has gone further in the small enterprises than in the larger ones. This combination of smallness in size and strength in ideas and practice has made the small enterprises the focal point of the attacks made on workers' control since November, which have largely been made with the direct or indirect complicity of the government. One example of this kind of attack took place recently in the *Codiproal* supermarket in the northern part of Lisbon. The thirty-five employees had sacked their boss in 1975 and run the place through an elected committee: they rehired workers who had been sacked by the boss, and rationalised the supermarket (a workers' rationalisation, i.e. without redundancies) to such an extent that they increased their turnover by nearly three times on the previous year. Early this year, however, encouraged by the new political climate, the former owner applied to the government to put his name on the register of owners which the sixth government has been trying to establish. He apparently succeeded, since the police arrived to close down the supermarket and then reopen it with the old employer.

The credit system by which small self-managed or co-operative enterprises were often able to obtain the wherewithal for new investment from the banks under the fifth government appears to be still in existence, but this of course does not mean that the present government is not restoring small enterprises to

their owners where they can. The credit* system has always been somewhat precarious, especially since they have taken the form of "credentials" issued by the Ministry of Labour and not directly by the banks, and have no expiry date: this means that every time a fresh credit is needed, the workers have to apply to the Ministry of Labour and therefore are immediately dependent on the political climate. Marcelo Curto, the (Socialist Party) Secretary of State for Labour, told us that since he had been in office he had not rejected one single application for the renewal of credits. We established that this was correct, except that (a) there were some cases which he had referred to the Minister himself, a member of the Revolutionary Council,** who had then refused them, and (b) exceptions were made on "juridical" grounds, one example of which referred to a small textile factory whose owner had been implicated in the Spinoist coup and given six months in prison; when he came out of prison, "of course it was only natural" that he should be given back his factory.

Even where credentials are still being given, it cannot be said that these are nationalised socialised enterprises, even in a *de facto* sense, since workers are specifically being barred from using the title deeds to claim ownership by default (even where it was the employer's own decision to leave). So those small enterprises which remain under some form of workers' control, and there are still plenty (especially in the textile sector), find themselves in the same limbo as many of the larger enterprises where it is large foreign companies or rich Portuguese bankers who have abandoned them: i.e. they are not nationalised but "sequestered", which basically means that they are subject to the disposition of the government and to the general political climate. All this was of course true before November 25, as well as since. The difference lies precisely in the political climate, and this can be seen from the fact that there is now a veritable queue of small enterprise owners coming to the Ministry of Labour each day and demanding their registration on the list of owners and the restoration of their factory. In those enterprises with a domestic sales market in particular, self-management has brought about the rationalisation of enterprises on a profitable basis or at least the beginnings of this: an added incentive for incapable and old-fashioned managers to return and cash in, with the added advantage that the distribution sectors (largely untouched by workers' actions) will be more amenable with them. Finally the *isolation*† of factories from each other, especially under what remains a power vacuum (in the economic sphere), affects the small enterprises worse than the larger ones. However, in the construction industry for example, where the question of distribution and sales outlets does not assume the same importance, the forms of organisation thrown up in 1975 remain: the *Edifer Construction Company* is still run by its supreme body, the mass meeting, with a rotating executive council

* It must also be said that the amounts of money available were small, since they came from funds supplied by things such as "national day of labour" and sent to the Ministry of Labour for redistribution.

** The Revolutionary Council of the Armed Forces, which retains overall governmental responsibility until after the Presidential election.

† In fact a co-ordinating committee for workers' commissions now exists, but it is very much a sub-department of Intersyndical.

of seven members, four of whom must be working on the site at any one time; foremen have been dispensed with, as have shareholders' dividends.

The large-scale enterprises such as the shipyards and the airlines have experienced things somewhat differently since November. The former predominance of foreign capital in this sphere and the relative weakness of big Portuguese capital make the scenario of "owners" queuing up to have their factory back less likely. The Secretary of State for Labour's attitude towards the multinationals as well towards the boycotts undertaken by various foreign governments was quite hostile, although the ground for his hostility expressed themselves simply in the phrase "Now the multinationals know that the Portuguese workforce is not cheap", with the implication that their presence was welcome as long as they treated Portugal more like advanced European countries. But since the multinationals' operations were wholly geared to the special nature of Portugal — i.e. its low wage-levels and fascist government — the transition may not be easy. Apart from those multinational companies which have closed, several — including Philips, ITT, Siemens, Standard Electric — have renewed their attempts to carry out sackings since November. The response from workers is typical at *Timex* (although this does not fall into the category of large-scale enterprises): short-time working has led the workers to occupy the factory during the days they are supposed to be laid off, and to demand action and possible nationalisation from the government, whose response so far has not come.

Governmental hostility towards the actions of foreign countries and companies in boycotting Portuguese exports seems to be quite carefully graded, and may be a good indicator of the stage at which the sixth government and (anticipating the elections) a PPD* or minority SP** government would wish the revolution to stop. Marcelo Curto's chief hostility was reserved for large-scale Portuguese (and Brazilian) capitalists, and to a lesser extent for the US and French governments. The British Labour Government's initiation of the textile boycott, however, was not a boycott at all but was entirely justifiable (Curto is a member of the SP), since "They were only protecting their own industry". He admitted that the Swedes had been operating a "real" boycott but, perhaps mindful of the fact that the Socialist Party is in power in Sweden too but that its influence on the Portuguese economy was too great to be overlooked, he presented the justifications which the Swedes themselves had used — the general world crisis. ("I don't know if this is true or not".) Evidently since the West European powers are now convinced that its conditions have been met, and that Portugal is on the road to normal parliamentary democracy, the boycott has eased. But things have not gone back to square one, nor has the previous market situation been re-established. Not only have some of the multinationals pulled out permanently or are having difficulty dealing with a reinvigorated Portuguese working class, but some of the export markets have been lost permanently. There is anxiety about metal products which were previously exported to the USA and France and which remain "boycotted", perhaps

* PPD. The "Popular Democratic Party", which claims to be a "social democratic" party, but in fact is further to the right than this claim would suggest. It obtained 24% of the vote in the April elections.

** SP. The Socialist Party led by Mario Soares.

for economic reasons or perhaps as a result of US scepticism about the future course of events in southern Europe. This situation is not aided by Portuguese ministers themselves (particularly PPD ministers) who are still blocking the export of cork to East European countries for political reasons and actually helping to ruin stocks of cork.

To summarise the attitude of the sixth government in this respect: much is being done to mend fences in trading relations with the Western countries; as much as possible is being done to preserve the multinational presence (with a few exceptions) in Portugal, though this is limited by the determination of the workers themselves and the new situation in the country; but large-scale indigenous capital is not getting its grip back on those parts of the economy which it held, and is not likely to in the near future. To put the contradiction in a nutshell: the Stock Market has just been re-opened, but it can find hardly any business to do.

The experience of the workers' commissions in the larger enterprises is influenced by these factors. First of all, there is a more or less smooth partnership either with government agents sent in to handle the government's stake in the company (in many cases this means the position it has taken over from a Portuguese capitalist) or with administrators (in the properly nationalised enterprises). Again, the balance of power in such partnerships, which are essentially co-management situations, depends on the political climate. The aim of the workers' commission at *Setnave* shipyards, nationalised after the revolution, is "national independence in shipbuilding", with Portuguese technicians being trained to take over from the Swedes (it was formerly Swedish-owned in part) so that Portugal is not used as a labour-intensive sweatshop for the benefit of advanced Swedish technology. In spite of other measures undertaken by the commission such as the reduction of top management salaries from 80,000 to 30,000 escudos per month (about £500), there are real battles continuing in this "co-management" situation. The government administration wants to preserve the Swedish link by a tanker contract which would use the *Setnave* yards only for the labour-intensive work and with the profits being creamed off abroad; the workers' commission, on the other hand, wants to accept a Polish contract for three smaller ships, which would be a complete "Portuguese" contract, with the profit remaining in Portugal. This kind of trial of strength is continuing in the nationalised enterprises, but for the workers there is an abyss beneath; in the *Setnave* case, the Swedish contract offers more job security, and the workers' militancy there means that other potential contracts have been siphoned off to other yards.

At TAP,* the Portuguese airlines where there is a workforce of 8,000, there has been a withdrawal on the part of workers' leaders from the tendency to be involved in management. (We are speaking here of the trade-union organisation in the enterprise and not the workers' commission, for reasons which we will explain later.) After April 25 the workers began to exercise some supervision over management — it was one of the first enterprises to form a workers' commission. But with their increasing power over wages and conditions, and with the increasing economic chaos outside, they began to get drawn into direct management issues rather than mere supervision. But their experience of co-management has been very bad, and they have decided that while Portugal as a whole has a capitalist system they cannot

* Portuguese Air Transport, the Portuguese equivalent of British Airways.

accept responsibility for management. At the moment they are discussing a plan to return to a position of supervision, but of much stronger supervision. The plan under discussion at the enterprise's trade-union branch will suggest to management that only one worker be present at meetings of the board, and that this worker should have the right to speak but not to vote: nevertheless, he does have the right of *veto*. Alongside this there will, according to the plan, be much closer inspection of accounts. (All this, of course, is subject to negotiation — and to the political developments.)

There are signs at many other enterprises, as well as TAP, the workers are responding to the changes in political direction since November by setting themselves limited aims. The largest mines in Portugal, at *Aljustrel*, are a case in point. The mines devolved to majority state ownership on the nationalisation of the banks since the Melo group, which owned half the capital on behalf of the notorious Swedish CUF group, was based on the banks. The state at this point held 91% of the capital, and a Belgian company 9% (as it had done for some years). For a time, the miners felt all-powerful; but the state did not move to send its own representatives (this was under the fifth government), and the director remained Belgian. "After April 25", the miners' union leader there told us, "we had power in our hands. The trouble is, we gave it back." The miners are now fighting for the state to send in an administration of two mining engineers and one economist.

Where these apparently "limited" aims are not being fought for, there is a deadlock which points to a power-vacuum in many cases (as at Setnave). One other example of this (and it seems to be true particularly in those enterprises which are too noticeable to be left alone but not big enough to hold their own), is the *Martins and Rebelo* company in the north, an enterprise of some 3,000 workers which does 70% of the dairy packaging business in Portugal. In June 1975 the boss was sacked by the workers, who set up a new administration with the aid and approval of the revolutionary council, and produced a reorganisation plan. When it was time to submit the plan to the Revolutionary Council it was January 1976: the council threw it out and put the old employer's nephew in, who was thrown out again by the workers. The workers' commission is now being harassed, telephone lines to the enterprise blocked, etc.

Finally, in some enterprises where there is a *de facto* nationalisation of all or part of it which the government continues to accept, the workers' commission has moved to a position of support for virtually any initiatives taken by the government. This was taking place at *Metal Box*, for example, where the foreign capital remains in foreign hands but the Portuguese government has nationalised the Portuguese capital. Apart from a liaising administrator who does not work in the enterprise, the new nationalised part of management is the workers' commission — but in fact the commission is composed overwhelmingly of senior qualified engineers and management cadres. We were told, though of course there are no statistics to prove this (or very much else), that this is an increasing tendency: workers are tending to elect commissions which, according to their occupational composition, will be able to manage more or less in the "old" way (though somewhat more enlightened) and in so doing defend the workers' interests in a some-

what hostile political and economic environment. Certainly it is clear from the Setnave example that a "dual power" situation between workers' commission and nationalisation administrators cannot last, and cannot be resolved in the workers' favour without the overall political and economic transformation of the country.

To sum up, there have been a number of intense and perhaps exemplary attacks on small self-managed enterprises, particularly outside the manufacturing sector (the supermarket struggle mentioned above made a corpse out of one of the pickets), while these enterprises are now finding much more difficulty obtaining credit (though it was not so widespread under the fifth government); in the larger enterprises the nationalisations or part-nationalisations remain in effect, with the workers playing at least some part in management in many of them (though this tends to lead either to stalemate over decision-making or to the commission following the government "line"); and in "sequestered" enterprises where the legal situation is not clear (former employers have left without the government nationalising, and it is up to the workers to save their jobs by their own efforts, as at Timex), the government is tending to find excuses to avoid intervening: at the *Manuel Goncalves* textile factory, the sixth government decided that the workers' allegations against the employer were not justified and withdrew the commissioner sent in by the fifth government to nationalise the place: this was what led to the workers apparently "inviting the boss back".

In spite of all this, it seemed to us that the workers' morale was high, that they continued to sit on a lot of achievements which they were not going to let go very rapidly, and that the sixth government is and will continue to be trapped between the working class and a spiritually revived but organically weak Portuguese entrepreneurial class. We cannot foresee the outcome of all this after the elections or the installation of the new government six months after that. We can only look at the intentions on paper which the government has concerning its desire to "preserve popular power", which is written into Clause 3 of the new constitution, and at the draft legislation on "workers' control". It should be noted to begin with that until now no kind of cosmetic "participationism" has been suggested, for very good reasons. Each time the workers withdraw, the management *takes back* its management privileges in full. It is not in a position to "offer" participation, precisely because control and self-management are real demands: if they were not, then doubtless something could be imposed from the top. The draft law cannot, in our view, be regarded simply as an attempt to siphon off the workers' management initiatives into a safe channel, but must be seen primarily as a response to the position which the workers have gained in the economy and some of which they are likely to retain. It has been proposed for political reasons, and the interpretation of the legislation *in practice*, which is where it matters, will be influenced by similar factors.

Briefly the draft, which has been the subject of lobbying by both the trade unions and the employers' associations, provides for "workers' control" in enterprises consisting of over fifty workers; for enterprises with a smaller number, the legislation is permissive. Priority is being given to its introduction into nationalised enterprises, "to set an example" for private industry. The nature of the control

is described as "control over management", meaning the supervision of management specifically on questions of book-keeping and accounting. This applies only to the manufacturing sector, not to distribution or commerce. Since the draft was first mooted on 17 October 1975, there have been meetings between the Ministry of Finance and the Ministry of Labour to work out the finer details. It lays down certain rules for the representativeness of the workers' commissions, which must have been voted by at least fifty per cent of the workforce. Changes have certainly taken place in the drafting since October. On an early draft, workers had the right to demand any information they needed; on the current draft not only has this right been removed and restricted to information on financial matters, the principle of confidentiality of information has been introduced, with criminal sanctions applied against those who fail to respect it. In our view the main feature of the draft law is not the restricted definition of "workers' control" which it offers in itself, on paper, but the fact that it represents a reduction of what *actually exists now*, on the ground, of workers' power; this reduction can be noted by comparing the provisions of the draft law with some of the descriptions of individual factories earlier on in this report. We see this draft law as implicitly containing the threat of an attack on a vast range of the achievements of the Portuguese working class since April 25; but we also see it as a part of the basic labour legislation necessary if the working class is to establish a base for its activity, as we mentioned earlier. The point about this riddle is that we are talking about *legislation* which, of course, is absolutely distinct from its *application*, especially in a situation such as the Portuguese one, which continues to be fluid. If the working class can conserve its gains at the grass roots, the legislation will be superfluous. And since there is *neither* a strong centralised state planning apparatus *nor* a live and kicking indigenous private large-capital sector, our foresight tells us it will remain a dead letter, for lack of anyone to institutionalise it in practice.

We will conclude with some remarks about the general morale of the Portuguese workers and peasants since November 25. First of all, we did not find the sense of despair of the active left-wing politicians in Lisbon reflected in the mood of the workers in the factories, and especially not in the agricultural south, where the situation looks to us (admittedly on very brief acquaintance) like an achieved and irreversible insurrection.

It is true that in activities such as mass meetings, votes for the workers' commissions etc., the level of participation is down. At Setnave the vote for the most recent workers' commission was under 50%. At TAP (the Portuguese Airlines), we were told by a militant that general assemblies, even on wages questions, were now drawing "only" six or seven hundred participants out of a total workforce of 8,000, whereas previously the vast majority of workers had turned out. According to this man, who has the double medal of having been imprisoned by Caetano and having had a pistol held at his head by Jaime Neves personally while leading a strike there, the workforce *as a whole* was no longer taking the great interest and participation in the decisions of the commission as before, and this is true not only at TAP. One cause for the loss of interest, he told us, was that many commissions are now more heavily influenced by a single party, and that they spend more time doing things for the party than for the workforce. He was thinking particularly

of TAP, where the present commission (the fifth) is entirely MRPP*: because of the electoral system at TAP, the party winning a majority of votes in the first round puts up its own slate in the second – the result being that in the second round, only 60 people out of the 8,000 voted. He also pointed to the fact that many workers thought the old administration might return, and were not keen to change anything in case this happened.

But many of the best initiatives launched since April 25 remain. A lot of commissions still publish a list containing details of the management's salary slips each month to all the workers: the Setnave workers' commission still distributes the minutes of all its meetings not only to the workforce but to the neighbourhood committees in the surrounding area; the neighbourhood committees themselves in Lisbon remain, although their scope of activity has reduced itself to fighting on the rents issue alone.

It was in the countryside, in the south,** however, that we found most evidence to support our view of the morale of the working people, and the survival of the initiatives which they themselves have made towards real popular power. The story of the occupation of empty latifundia and the setting up of co-ops is well known, and we don't intend to repeat it here. There are no "illegal" wild-cat land occupations, since the much-debated agrarian reform simply says that workers can occupy untilled private land. Contrary to opinion there are no disagreements between occupying workers and *small* private landowners: agricultural workers helped the small proprietors with the olive harvest and allowed them to sell through the consumers' co-op. Workers at the former Swedish CUF factory, which as a monopoly of fertiliser supply, have guaranteed fertiliser supplies to many co-ops. One sure sign of the authenticity and advanced nature of what has happened in the south is the multiplicity of forms of co-operative management which have sprung up, all different from each other and all brimming over with ideas. At *The Left Will Win*, a co-op near the town of Beja, delegates are elected from each production unit on to a directing commission, but weekly plenary meetings of the entire production unit are obligatory to ensure that the delegates have done what they were told to do; these take place before ratification of any decision, so that there is a real two-way information system. The co-ops have encountered the boycott: some supplies of seed from abroad have been stopped, and exports of wine, tomato concentrates and potatoes are being blocked still. However, it may well turn out that if the revolution in the southern country-

* MRPP: the "Movement for the Reorganisation of the Party of the Proletariat". It claims to be a "maoist" grouping, although there is a more genuine maoist group (the "Popular Democratic Union") with a seat in parliament. The MRPP had some influence in 1975 which has now declined.

* It should be noted that the countryside in the north is very different – it is the centre of activity for reaction and its party, the CDS. This is usually explained as a result of the influence of the church and the fact that the land there is owned by smallholders who are afraid that a communism will take their land from them. This is of course true. But the left realised perhaps too late that this area could not be won with the slogan "North and South – same combat." There is more than one form of land ownership, and more than one way of socialising it.

side is irreversible, it is also survivable. A revived agricultural sector, with much more land being tilled (and much more productively) than previously, can contribute to the cheap feeding of Portugal and a reduction of the pressure of food prices on wage claims in the towns; the continuation of boycotts from abroad (with the aid of some PPD ministers) will not only be pointless but counter-productive from the point of view of the right. It is perhaps no coincidence that Lopes Cardoso, the Agriculture minister, who is responsible for the agrarian reform, is also the furthest left of the Socialist Party ministers and is regarded as a friend of the revolution in the south among peasants of all political persuasions whom we spoke to.

The question of morale is also linked, of course, to the "party-ism" of the workers' autonomous bodies, inasmuch as this seems to have been one of the main factors in reducing the level of mass participation. By "party-ism" the workers do not mean the legitimate existence of the various parties on the commissions etc., but the act of putting the party's interests first on the list of priorities. This is less of an issue now that the parties to the left of the CP* have lost most of their influence on the commissions, but of course it remains an issue between the CP and the SP. While we were able to confirm that the Socialist Party has very little presence among manual workers in industry (and then only in certain sectors such as textiles, and virtually none in engineering and heavy industry), this is certainly not true of the countryside in the south. And this means that attitudes towards the leaderships of these parties differ between countryside and factory. The criticism of the CP leadership made by the Communist miners' leader at Aljustrel, for example, (implicit though it was), was (a) that it had not supported the workers' commissions at the beginning because they had not been initiated from above, and (b) that it had been too soft — at a national level — on the SP.

The criticism (again implicit) made by one of the leading CP members of "The Left Will Win" co-op was precisely the opposite: that his leadership had not found the way to work with the Socialists early enough: "if it is true that you can't make the revolution without the Communist Party, it's also true that you can't make the revolution with the Communist Party alone". When he spoke of the "good comrades" who supported the SP in the co-op and talked of "winning them for the revolution", he explicitly meant on the basis of a front. For these workers in the countryside in general, the existence of a left wing in the Socialist Party evidently means something. The attitudes of the *leaderships* of both parties is of course another question, though it is not our job to examine that here, except to say that they have both zigzagged on this issue, and that if they had found each other in the same place at the same time, our commission might not have been necessary in the first place.

Additional notes by Ray Ellis

Our enquiry led us to visit areas and aspects of Portuguese industrial life that must be a closed book to most visitors.

In order to be able to really evaluate the extent of the advance of workers' control, it has to be set in the context of the prevailing political-industrial climate.

* The official Communist Party led by Alvaro Cunhal

A country where a revolution was led by bank clerks and farm labourers, where the Communist Party is at the centre (if not to the right) of the political spectrum, where the government is even now two years after the event, keeping a profile so low as to be invisible to the human eye, not only makes the British mind boggle but I think that most Portuguese are bewildered too.

The people of Portugal are now painfully aware that the battle is by no means over; the future is bleak because, to all intents and purposes, most of their international trade has collapsed. There are even some who, through fear of the future, would welcome a return to Fascism.

The workers are trying to impose a Socialist system of techniques and values upon a complex industrial infrastructure that has grown to serve the multifarious purposes of international capital. Portugal has always been regarded as a vast reservoir of poorly skilled but cheap and docile labour, and so it has been found profitable to take work to Portugal whenever the minimum of capital investment could yield the maximum of surplus value.

This was the set-up we found when we visited the shipyard at Setubal in what is popularly known as the "Red Belt". It was easy to find, the gigantic hull of a partly completed oil tanker dominated the countryside for miles around. We had three hours of intensive discussion with the workers' commission, after which they gave us lunch in a recently built canteen that compares favourably with anything I have ever seen. It was soon apparent that the Trade Union not only here but nearly everywhere else in Portugal was separate and apart from the Commission. The Commission, on licence from the Government, controls the day-to-day administration of the enterprise, whilst the union acts as link-man and mediator between Commission and Government.

The Commission at Setubal was the second since the revolution, the first being dismissed for weakness and inefficiency at the demand of the workforce. I was told that the first Commission had on one day, held a mass meeting of all the workforce which lasted for more than four hours; there was only one item on the Agenda and that was whether or not they should call a token stoppage of work! This was at a time when the enterprise was fighting tooth and nail for its existence.

Although nationalised, the Yard originally belonged to the multinational company CUF who provided its work. The present tanker had its keel and basics laid in Sweden, the heavy labour on the hull was being done in Portugal and then in 18 months' time, it was due to go to Rotterdam for the engines and back to Sweden for the superstructure. Portugal is not equipped to build a ship in its entirety. It is, therefore, easy to see who calls the tune and in order to get CUF to allow the work on the existing ship to be completed, the Workers' Commission has had to guarantee the firm delivery date at 1974 prices with no 'escape clause' This they will achieve because the workers, fighting for their very existence and the success of the revolution, have reduced voluntary absence to almost nil. The Setubal Commission put it this way "It's no use having workers' control if you have no work to control". When attempting to get work on further ships from CUF they were offered a "labour only" contract which would do nothing for Portugal and would, in fact, yield to CUF more profit than if there had not been any nationalisation. Poland has offered to place orders for three small ships and although the

Workers' Commission want this order, the government seem to prefer to continue to work for CUF. An added complication is that across the bay is another yard that has not been fully nationalised and in which CUF still has a share. The major Portuguese capitalist family the Melo group has also been allowed to retain a share. It is not surprising that it is the other yard which is getting preference.

One member of the present Commission could speak English, he had returned from Canada after the revolution because he felt that his country needed him and he said that the present Commission, having been elected by secret ballot less than a year ago, had improved performance out of all recognition. In spite of being a hard taskmaster, it is obviously plain for any visitor to see that the Commission is enormously popular and has the full backing of the workforce.

Whilst we were in the "Red Belt" we visited the country's only steel works. Again we were unannounced and totally unexpected, but the Manager immediately called the Commission together to meet us — one of the heavy labourers from the blast furnace was the Chairman, — the Manager being only a rank and file member! Here, once again, the story was one of multinational sabotage; a "rolling mill" nearing completion near Oporto, being built as a necessary complement to the steel works had (since the revolution) been quietly dismantled. We were given an instance here of a four day strike by senior engineers which failed because it had no effect on production. The Government had allocated the Christmas/New Year Holiday pay in the traditional way with the traditional differentials. The Commission had decided to redistribute the holiday pay equally — hence the strike. The Government now threatens to give back the licence to the ex-owners when it expires in April — unless they promise to toe the line in future.

One innovation the Workers' Commission had introduced here was to print and distribute a leaflet monthly, publicising to the last escudo the exact income of everyone employed at the project. Like the Shipyard the great fear in the steel works is unemployment; the order book is a blank page. Everywhere in industry the story is the same.

At the nationalised Telephone Manufacturing Company, previously Plessey, productivity has soared but, because the export orders had been cancelled (many of them for Britain) the Portuguese now possess ten telephones each for every man, woman and child in the country.

An industry that is one of the exceptions is mining. At Aljustrel, there are no Commissions as such, the Trade Union is firmly in control — but in control of production only. The coal, copper, bauxite, iron ore and other minerals are still distributed by the pre-revolutionary owners, including the Melo Combine, who presumably reap the same profit. Here in the mines there clearly is urgent need for national control and expansion. It comes as a shock to find that although Portugal has indigenous coal, there has never been any capital investment in power stations. Portugal is, in fact, entirely dependent on France and Spain for electricity and most other forms of energy.

It was difficult to concentrate on Portugal's problems because the affinity and comradeship that immediately springs up when miner meets miner the world over, resulted in the discussion centring around the British miners' recent history. They claimed that during their days of oppression, our activities and our strikers were

viewed with admiration and that they were now proud to have emulated our achievements. They clearly have a long way to go. For instance, they retire at sixty on a princely pension of 30p per week!

The only area of the economy that in my view has stabilising firmly into an irrevocable socialist form is agriculture.

The production of food has risen by 30% each year in the two years since the revolution. Large mounds of obviously recently cleared rocks, demonstrate how they are claiming for cultivation previously barren soil. The peasants are organised; they are determined; and only extermination can remove them. Whatever happens to Portugal — they will not starve.

The overall problem facing the Portuguese is that of *communication*, both between Portugal and the outside world, and between Portuguese and Portuguese. I failed to meet a single person during my visit who was able to give anything that could approximate to an accurate description of the situation elsewhere in the country.

They have to identify the problem internally; and, unless their problem is also fully appreciated externally and communication links established with organised labour in the outside world, — then external help will not be forthcoming.

The Portuguese have broken through, and if the multinationals are allowed to regain control, it will be by default of international organised labour — that includes *us*.

If we do not forge links with the people of Portugal, to communicate and assist them, our own future is bleak. Internationally organised capital can only be effectively countered by internationally organised labour.

EYEWITNESS IN REVOLUTIONARY PORTUGAL

Audrey Wise, MP

with a Preface by Judith Hart, MP

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