

This week in history: March 12-18

12 March 2018

[25 Years Ago](#) | [50 Years Ago](#) | [75 Years Ago](#) | [100 Years Ago](#)

25 years ago: Italian political corruption scandal spreads

On March 16, 1993, the third head of a major Italian party stepped down amidst a spreading corruption scandal that shook the entire political order.

Renato Altissimo, head of the Liberal Party, part of the four-party governing coalition headed by the Italian Socialist Party (PSI), stepped down in the *mani pulite* or “clean hands” investigation that tied politicians of several major parties to a system of bribery orchestrated by Italy’s powerful corporate and financial interests, in collusion with the organized crime syndicates of southern Italy. Altissimo was accused of accepting \$35,000 in bribes from the state utility monopoly, ENEL.

The same day PSI Prime Minister Giuliano Amato addressed parliament, warning that if some form of “leniency” couldn’t be found for ruling class figures implicated in the scandal, Italy faced “the risk of a real break-up.” Amato had a day earlier told an audience in London that Italy required “an almost entirely new political class.”

The *mani pulite* investigation, which began thirteen months earlier, had uncovered a deep-seated system of bribes and kickbacks between leading capitalists and financiers and the major political parties, beginning with the ruling Socialist Party, Italy’s third largest party, and its second biggest, the Christian Democrats. Socialist Party leader Bettino Craxi was driven from power. The head of the Republican Party, Giorgio La Malfa, was also forced to resign after admitting he had accepted bribes.

The total collapse of the capitalist parties presented the Italian working class, then among the most organized in Europe, with an immense opportunity. However, the Italian Communist Party (PCI), in a final act of betrayal, had in 1991, in the wake of the restoration of capitalism in the Soviet Union, dissolved itself into the pro-capitalist Democratic Party of the Left and the pseudo-radical

Communist Refoundation. The PCI had been the largest communist party in the western world, regularly winning nearly as many votes as the Christian Democrats, and dominating in Italy’s industrial regions.

[top]

50 years ago: Worldwide panic in gold markets

On March 15, 1968, Britain closed its London gold market following a week of panic buying that threatened to destroy the \$35-per-ounce gold standard. The action was taken at the request of President Johnson in a call over the “hot line” to Prime Minister Harold Wilson. The drastic measure brought the sudden, early-morning resignation of British Foreign Secretary George Alfred Brown.

The previous day the US Senate voted 39 to 37 to remove the 25 percent gold backing for the dollar. The action freed \$10.4 billion in reserves to meet the speculative demand for gold.

The gold market was closed to make possible an emergency meeting of the central bankers of the International Monetary Fund the following day in Washington, DC. They considered a number of actions, finally settling on the establishment of a “two-tier” system, maintaining the \$35 standard for transactions between governments but allowing the price of gold to fluctuate on the open market.

The London market was to remain closed until April 1. London was the main market through which American gold reserves flowed to international speculators. The drain of gold reserves began with the November 18 devaluation of the British pound. The rush of gold buying amounted to speculation that the US could not sustain the value of gold at \$35 an ounce, and would either be forced to raise the official price or devalue its currency. The wave of speculation reflected fears that the US balance of payments problem was out of control, particularly due to the ever-mounting cost of the war in Vietnam.

The establishment of the two-tier system represented a de facto admission that the US could not maintain the

gold backing for the dollar. It marked the beginning of the end of the Bretton Woods system, established by the victorious imperialist powers at the end of World War II. One of the linchpins of these monetary arrangements was the pledge by the United States to redeem the dollar for gold at \$35 an ounce.

[top]

75 years ago: Imperialists contest over French Guiana

On March 16, 1943, demonstrations erupted against the Vichyite administration in the colony of French Guiana. Spurred by food shortages, the population marched on the government building and demanded the pro-fascist Governor Rene Weber break with Vichy France and Nazi Germany. By the following day supporters of General Charles de Gaulle had obtained the leadership of the revolt, while Weber and his associates fled to Dutch Guiana (Surinam).

The revolt in this tiny colony of 40,000 people on the Caribbean coast of South America immediately became a bone of contention between de Gaulle's British-backed movement and that of General Henri Giraud, the US puppet who headed French North Africa and served as a cover for American collaboration with the fascists of Vichy France.

When French Guiana's day-old provisional committee attempted to cable de Gaulle and report that it had ceded from Vichy France and wanted to ally itself with him, the administration of Franklin Roosevelt held up the cables and leaked information to the press that the colony had rallied to Giraud. Two days later de Gaulle claimed French Guiana. The US ultimately forced Guiana to accept Giraud by threatening to refuse shipments of food to the colony if it persisted in its declaration for de Gaulle.

For the opposing French factions, control of Guiana meant control of its number one export: gold. Meanwhile, the US decision to back Giraud was part of its strategy to dismember the French colonial empire. Unlike de Gaulle, the Vichy French had already shown their pliability in relation to Germany. The US also reasoned that at the end of the war it would be easier to justify taking colonies from a government that had been allied with Hitler than a government that had fought on the side of the United States.

[top]

100 years ago: Soviet Congress meets over Brest-Litovsk Treaty

On March 14, 1918, an extraordinary Fourth All-Russia Congress of Soviets was convened in Moscow for the purpose of ratifying the Brest-Litovsk Treaty ending Russian participation in World War I.

The Bolshevik group met the day before and heard a report from Lenin on the treaty. A preliminary vote within the Bolshevik group produced the following results: for Lenin's resolution to ratify the treaty, 453, with 36 against and 8 abstentions.

The Fourth Congress was attended by 1,232 delegates with the right to vote, of whom 795 were Bolsheviks, and 283 were Left Social Revolutionaries and others. The congress discussed the ratification of the Peace Treaty with Germany, the transfer of the Soviet capital to Moscow and elections.

Lenin delivered a report on ratification of the treaty. On behalf of the Left SRs, at this time coalition partners of the Bolsheviks, Kamkov delivered a report against ratification.

The congress, voting by name, passed Lenin's resolution by a vote of 784 to 261, with 115 abstentions. The Left Communists, led by Bukharin, made a special declaration to the congress explaining their decision to abstain.

In defending the necessity to sign the harsh treaty with Germany, Lenin argued that "such proposals as a revolutionary war sound like empty phrases, when we know that we have no army, when we know that it would have been impossible to hold the army, and people with a knowledge of the situation could not help seeing that our decree on demobilization was not an invention but the result of obvious necessity, because it would have been impossible to hold the army..."

"This is what has come of months of bargaining with the bourgeoisie and of all the speeches about the need to continue the war ... they proved to be empty revolutionary phrases that played into the hands of international imperialism so that it could plunder as much again and more...."

[top]

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