

This week in history: January 23-29

23 January 2012

This Week in History provides brief synopses of important historical events whose anniversaries fall this week.

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25 years ago: Gorbachev issues dire warning to Communist Party Central Committee

Soviet Communist Party General Secretary Mikhail Gorbachev's address to the plenary session of the Central Committee on January 27, 1987, warned of an enormous social crisis in the USSR for which the party leadership bore responsibility. Without mentioning names, Gorbachev described "serious discrepancies in planning," and "subjective approaches, imbalances, instability. . . Disregard for laws, report-padding, bribe-taking and encouragement of toadying and adulation [that] had a deleterious influence on the moral atmosphere in society." It was clear that he was describing the regime of Leonid Brezhnev.

While the crisis was very real, Gorbachev's supposed "concern for people, for the conditions of their life and work and for social well-being" was a diversion. In the name of *perestroika* and *glasnost*—policies endlessly celebrated by the media and pseudo-left in the West—Gorbachev was in fact leading a decisive section of the Soviet bureaucracy toward the restoration of capitalism in the Soviet Union, a transformation predicated on the looting of socialized property and the heightened exploitation of the working class. This transformation, anticipated decades earlier by Leon Trotsky in his book *The Revolution Betrayed*, required an assault on an older layer of the bureaucracy resistant to changing the social basis of its privileges.

The timing of the plenum was itself an expression of the crisis rocking the Soviet bureaucracy. According to CP statutes, plenums were to be held no more than six months apart. Since the last was held on June 16, 1986, the next plenum should have been held by December 16, but the period leading up to the gathering was marked by opposition within the bureaucracy to the course Gorbachev was taking. As a result in December Dinmukhamed Kunayev was removed as party leader of Kazakhstan, while former Brezhnev ally and party leader of the Ukraine, Vladimir Schcherbitsky could not be removed even though he was against Gorbachev's policies.

50 years ago: Alarm over US balance of payments deficit

This week in 1962 the US National Foreign Trade Council announced that it expected 1962 to produce a \$3 billion balance of payments deficit—the amount by which the outflow of currency from the US would outstrip the amount coming in. The same week the Kennedy administration launched a campaign to gain Congressional authorization to alter the 1934 Trade Agreements Act so that the White House could negotiate tariff reductions with an eye toward increasing exports.

The balance of payments deficits, which had been registering above \$3 billion since the late 1950s, came in spite of the fact that the US was projected to a trade surplus of \$4.2 billion. The odd discrepancy between the trade surplus and the balance of payments deficit, measurable by dollar claims held by foreigners and sales of gold to foreigners, pointed to the underlying contradictions of the post-war order.

In part the outflow of dollars, manifested also in the rise of a separate market for "euro dollars" outside of US control, arose from Washington's effort to guarantee its supremacy through military means, allocating record budgets under Kennedy for defense and foreign aid. Kennedy and his advisors were aware of this, but were determined to maintain US military and strategic preponderance.

The White House instead hoped to increase US exports by gaining greater access to the Common Market, whose six members—West Germany, France, Italy, and the Benelux countries—had seen combined economic growth at over twice the pace of the US since the 1957 founding Treaty of Rome, and by muscling Japanese competition out of emerging markets. On January 23, 1962, the Japanese Ministry of International Trade and Industry announced that Japan's exports to South Korea, Taiwan, India, Cambodia, and South Vietnam had fallen by 50 percent from the previous year, the result of the implementation of a "Buy American" clause for recipients of funds from the United States Agency for International Development.

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75 years ago: Second show trial opens in Moscow

The second Moscow show trial began January 23, 1937. Old Bolsheviks, including Radek, Pyatakov, Muralov, Sokolnikov, Serebriakov, and 12 others sat in the dock faced by the Stalinist chief prosecutor Vyshinsky, a former Menshevik and opponent of the Russian Revolution. The main defendant however, the co-leader of the Russian revolution, Leon Trotsky, was charged in absentia. He had arrived in Mexico, the only nation that would allow him domicile, a couple of weeks prior to the opening of the trial.

The defendants faced charges of being members of a supposed “Anti-Soviet Trotskyist Center,” who as saboteurs and terrorists wished to restore capitalism to the Soviet Union. Trotsky biographer Isaac Deutscher summarizes the incredible charges: “Vyshinsky now spoke of Trotsky’s formal agreement with Hitler and the Emperor of Japan: in exchange for their aid in the struggle against Stalin, Trotsky, he maintained, was working for the military defeat and dismemberment of the Soviet Union, for he had pledged himself inter alia to cede the Soviet Ukraine to the Third Reich... Meanwhile [Trotsky] was organizing and directing industrial sabotage in the Soviet Union; catastrophes in coal mines, factories, and on the railways, mass poisonings of Soviet workers, and repeated attempts on the lives of Stalin and other members of the Politbureau.”

The defendants, coerced by torture and threats against their friends and family, simply echoed the fantastical charges no matter how absurd and contradictory—they seemed “too eager,” in the words of a London *Times* correspondent, to display guilt, not answering in monosyllables, but replying “certainly”, “most certainly” and “without doubt” to Vyshinsky. One letter-writer to the *Times* noted that such “confessions” would be “deemed fantastic in a lunatic asylum.” Within days, 15 of the defendants were shot.

The trial’s credibility began to fall apart almost immediately. Pyatakov told the court that he visited Trotsky, flying from Berlin to Oslo in December 1935 to take his orders. The Norwegian Ministry of Foreign Affairs issued a public statement that no plane landed in Oslo from Berlin for weeks before or after Pyatakov alleged. Trotsky telegraphed a series of questions to the trial demanding to know exactly when and where had Pyatakov landed in Norway, and where and under what circumstances they had supposedly met. Speaking to the American press about the trial, Trotsky bluntly denounced the whole naked farrago as a “lying frame-up.” When, during the trial, Soviet authorities arrested his son Sergei he described it as “An act of personal vengeance... This is an act in keeping with Stalin’s character”.

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On January 28, 1912, Eloy Alfaro and other leaders of the Radical Liberal Party were murdered at a prison in Quito, where they were held following their defeat in a brief civil war. Soldiers, supported by an angry mob, broke into the prison, dragged Alfaro and his followers through the streets and burnt their corpses in a public park. The murders came a week after more than 1,000 people were killed in the final battles of the war, which began in mid-December 1911.

Alfaro, a nationalist bourgeois “modernizer,” was president from 1895 to 1901 and was succeeded by General Leónidas Plaza, the candidate whom he supported. He subsequently withdrew support for the general. Plaza handed the presidency to his handpicked candidate Lizardo Garcia in 1905, but Alfaro overthrew him four months later and was installed again as president on January 17, 1906.

During his presidency, Alfaro seized church property, suppressed clerical influence, expelled the Catholic religious orders and prohibited the establishment of new convents or monasteries. He was removed from office in August 1911 after refusing to hand the presidency to Emilio Estrada, his elected successor. Alfaro was exiled with his followers but within four months Estrada died and Alfaro returned to Guayaquil in an ultimately unsuccessful attempt to overthrow the provisional government.

The protracted political instability in Ecuador was bound up with the so-called Liberal Revolution, with which Alfaro was closely identified. During the late 19th century, layers of the emerging Ecuadorian bourgeoisie involved in trade and commerce increasingly clashed with the traditional ruling elites; the landowners, the Church and the nobility. Alfaro sought to modernize the economy and satisfy increased foreign demand for Ecuador’s cocoa and other products. He secured the separation of Church and state, and carried out limited social reforms.

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100 years ago: Bloody end to civil war in Ecuador